



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 28th October 2015**

*All published Official Reports can be found on the  
official States of Guernsey website [www.gov.gg](http://www.gov.gg)*

**Volume 4, No. 30**

**ISSN 2049-8284**

*Published by Her Majesty's Greffier, The Royal Court House,  
St Peter Port, GY1 2PB. © States of Guernsey, 2015*

**Present:**

**Sir Richard J. Collas, Kt, Bailiff and Presiding Officer**

**Law Officers**

H. E. Roberts Esq., Q.C. (H.M. Procureur)

**People's Deputies**

**St. Peter Port South**

Deputies P. A. Harwood, J. Kuttelwascher, B. L. Brehaut,  
R. Domaille, A. H. Langlois, R. A. Jones

**St. Peter Port North**

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,  
R. Conder, E. G. Bebb, L. C. Queripel

**St. Sampson**

Deputies G. A. St Pier, K. A. Stewart, P. L. Gillson,  
P. R. Le Pelley, S. J. Ogier, L. S. Trott

**The Vale**

Deputies M. J. Fallaize, L. B. Queripel, M. M. Lowe,  
A. R. Le Lièvre, A. Spruce, G. M. Collins

**The Castel**

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,  
B. J. E. Paint, J. P. Le Tocq, S. A. James, M. B. E., A. H. Adam

**The West**

Deputies R. A. Perrot, A. H. Brouard,  
D. de G. De Lisle, Y. Burford, D. A. Inglis

**The South-East**

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,  
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

**Representatives of the Island of Alderney**

Alderney Representatives L. E. Jean and S. D. G. McKinley, O. B. E.

**The Clerk to the States of Deliberation**

S.M.D. Ross, Esq. (H.M. Senior Deputy Greffier)

**Absent at the Evocation**

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller)  
Deputy D. B. Jones (*indisposé*); Deputy A. M. Wilkie (*absent de l'île*);

## Business transacted

Evocation .....	2331
<b>Billet d'État XIX.....</b>	<b>2331</b>
Annual Budget of the States for 2016 – Debate continued.....	2331
<i>The Assembly adjourned at 11.05 a.m. and resumed its sitting at 11.15 a.m. ....</i>	2350
Annual Budget of the States for 2016 – Debate continued.....	2350
<i>The Assembly adjourned at 12.34 p.m. and resumed its sitting at 2.30 p.m. ....</i>	2369
Annual Budget of the States for 2016 – Debate continued.....	2370
<i>The Assembly adjourned at 5.32 p.m. ....</i>	2407

*PAGE LEFT DELIBERATELY BLANK*

# States of Deliberation

*The States met at 9.30 a.m.*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The Senior Deputy Greffier*

## EVOCATION

# Billet d'État XIX

## Annual Budget of the States for 2016 – Debate continued

**The Senior Deputy Greffier:** Billet d'État XIX, continuation of the debate.

**The Bailiff:** Members, the next amendment to deal with is to be laid by Alderney Representative Jean and to be seconded by Deputy Trott: It is the amendment numbered 8.  
5 Alderney Representative Jean.

*Amendment: 8*

*1. In proposition 11, immediately after '58.5p per litre', wherever appearing, insert ', but 51.8p per litre on fuel supplied in Alderney'.*

*2. In proposition 12 to insert immediately following 'Ordinance, 2015' the words ', but subject to the insertion immediately after '58.5p per litre', wherever appearing, of ', but 51.8p per litre on fuel supplied in Alderney'.*

**Alderney Representative Jean:** Sir, the amendment to deflect any increase in excise duty on fuel; to talk of the difference between the economies of Guernsey and Alderney: less money is earned in Alderney, the economy has suffered harder and for a long time now, since Zero-10.

10 Over nearly three years that I have been back in Guernsey working with you all, I have imparted a great deal of information relating to many aspects of the situation in Alderney: food and fuel more expensive, considerably; businesses do struggle in almost every respect. I am asking you to recognise this and allow some breathing space to allow the Alderney economy time to get on its feet again.

15 Much effort is being made in Alderney: the Finance Committee is working on many new initiatives; attempts are being made to extend the season into the shoulder months, and attract more tourists and trade to Alderney; our Government is not standing idly by.

20 We need your support for this amendment to give us the time we need to make our way through the host of problems which beset us at the present time. We now have to add to the list of events which take place in Alderney, the Arts Festival and the Literary Festival. Starting up in Alderney, as I said yesterday, is PricewaterhouseCoopers, the *anti*-money laundering company – I

will get that right this time (*Laughter*). On a positive note the *Chez Andre* has just sold, and we wish these new companies every success and welcome them.

One of our main issues is to do with transport and we do need time to resolve and work to improve, so that custom can get to us. At the moment we know, though we cannot quantify, how many customers we are losing, with groups and families cancelling because they cannot get on the flights. I believe that is why the economy needs your support and recognition that the two economies *are* functioning differently. But with work on our transport system, including our harbour, things may change.

The cost of living in Alderney is more expensive for old age pensioners and young working families with children. Many of these families earn a lot less, as was revealed in the report on the Airport Requête on 10th December last year. They earn a lot less for an average wage than they could in Guernsey.

I ask you to support the amendment to support Alderney's families and the old age pensioners, whose costs for oil is much more here than in Guernsey. The updated table I presented you with yesterday will give you an idea of those price differences. We also have the situation where businesses survive on a much more limited footfall than Guernsey.

Earlier this year an amendment – proposed by myself and seconded by my good friend Deputy Dave Jones – placed before you all during the Transport Strategy debate, to exempt Alderney from any raise in fuel duty, was successful. We are asking today for similar support.

If the Deputies worry about the sum that this will cost, which is some £40-odd thousand... and the Chairman of Finance, Robert McDowall, and our Chief Exec were present yesterday but sadly could not see this debate, but were here to support us in our efforts with these Alderney amendments. And a note was sent from them to Deputy St Pier to indicate that their concern is so great that the two amendments, fuel and TRP, would succeed, that the amount both amendments would cost the Guernsey States could be taken from the capital allocation of £1.9 million – and we would manage some way by restricting our budget, or economising in Alderney, to do this.

I hope we would not have to do that, but we would do it. That is how important it is. And the importance that we put upon it for the Alderney businesses, that they be left to try and get along and manage in this restrictive situation that they are in.

So as to assist the community on Alderney, while Alderney and Guernsey continues its review of the financial arrangements between our Islands, which may lead eventually – and I would hope it does – to Alderney assuming more control over fuel tax and TRP... which may eventually mean that these taxes would be set at a level to reflect the difference between the way that the two economies function. In other words, what I am basically saying is that both of these taxes, probably when they were introduced, one should have been set at an Alderney level and the other at a Guernsey level.

I also know here in Guernsey that many shops emptied and many charity shops opened up on The Bridge. We have had a similar and even more difficult situation in Alderney. The small amount of profit that an Alderney business can earn is what they survive on through the shoulder months of the year, and as I have told you there is an area where we are trying to increase the activity and promote the Island more during the winter and the rest of the season.

I hope today that you will give your support to this amendment, and I thank you for some of the lovely speeches you said yesterday about our runway.

Thank you, sir.

**The Bailiff:** Deputy Trott, do you formally second the amendment?

**Deputy Trott:** I do so, and reserve my right to speak. Thank you.

**The Bailiff:** Deputy St Pier, do you wish to speak at this point? No. Deputy Fallaize will speak.

**Deputy Fallaize:** Thank you, sir.

75 No doubt in due course the seconder of this amendment will advise the States of how much this adds to his running total (*Laughter*) of the –

**Deputy Trott:** Sir, if I may there is no need –

80 **Deputy Fallaize:** No, I am not giving way, sir –

**Deputy Trott:** – that information is contained on the amendment.

85 **Deputy Fallaize:** Yes, but not the cumulative amount. We are now up to... is it £5,042,000 according to Deputy Trott's calculations, I think? (*Laughter*) But anyway he will be referring to that in his speech no doubt. (*Interjection*)

**The Bailiff:** Can you switch your microphone on Deputy Harwood?

90 **Deputy Harwood:** The running total actually was before allowing for money we saved on the Leopardess. (*Laughter*)

**Deputy Fallaize:** Actually the running total was zero, because Deputy Trott knows that £5 million figure was not quite right yesterday. So the running total, if this amendment gets through, stands at £42,000.

95 It is impossible not to have sympathy with Alderney, and that is why the amendment yesterday with regard to the rehabilitation of the runway was successful. I think the States do generally recognise that Alderney's economic conditions are quite different from Guernsey's and that is necessary for us very seriously to offer economic support and economic stimulus to Alderney. We do have responsibilities in connection with Alderney and I think this States recognises that at least as much as previous States have.

100 But there are a couple of problems with this amendment. The first is that it does further break fiscal union. Now in a way – and I am sure Deputy Trott will say this when he speaks – T&R only have themselves to blame for this; because the proposal with regard to the tax cap – having a different tax cap, for new residents in Alderney – breaks fiscal union, just as much as this amendment does.

105 I am not surprised that Alderney Representatives and other Members of the States have been slightly opportunist and piled in with amendments to try to propose further tax advantages to Alderney, because T&R is proposing a different tax cap. But one does have to ask where does it all stop?

110 It might be fuel this year, it might have been TRP in the past, it might be income tax this year in relation to the cap. But what about income tax allowances? What about other rates of duty on tobacco or alcohol? What about the headline rate of income tax? We have to ask whether making these incremental and relatively small – but over a period of years potentially quite significant – changes to the tax arrangement is really in Alderney's interests, as well as whether it is in Guernsey's interests.

115 One could argue that there are parts of Guernsey which should be treated differently. It may be that we could make a case that there is less footfall in certain parts of Guernsey and therefore retail businesses are at a disadvantage if they have to operate somewhere on the West Coast, or somewhere in the South of Guernsey, compared to if they are operating in Town or on the Bridge or Cobo, or wherever. I am not quite sure how we evidence that the conditions in Alderney are so completely different in relation to homogenous conditions which exist in Guernsey. That is just not the way that the two economies operate.

120 The other thing is – and Deputy Bebb referred to this yesterday – I do think there is a danger of our making slightly knee-jerk and ill-informed decisions, in a well-intentioned effort to support

125 Alderney; but in advance of this report which as we understand it, is imminent from the Policy  
Council, which will set out in a coherent and organised way measures which could be taken to  
assist and support Alderney's economy. It may be when we are in receipt of that report that we  
find that there are things that we could do in relation to taxes levied in Alderney, but that we  
would be better off foregoing income in an area other than fuel duty, for example. But we are  
130 going to limit the headroom if we keep offering incremental tax advantages and foregoing  
income off the back of these amendments. We are – and this is not the last one of course – we are  
going to limit the headroom we have to assist Alderney in the future.

So despite all the sympathy I have with the position that Alderney finds itself in – and I think in  
financial terms we are going to need to pump in not inconsiderable sums of money to Alderney.  
135 Not £42,000, but it could be hundreds of thousands, it could easily be in seven figures. But I do  
think that it is going to have to be done in an organised and coherent way... and there is no  
evidence to suggest that what is set out in the amendment is actually the best way of helping  
Alderney, directing the support which Alderney clearly needs. And it does further erode this idea  
of fiscal union.

140 My fear is – one final point – that ultimately the more we erode fiscal union on the income  
side, eventually it could be counterproductive for Alderney, because the States of Guernsey could  
start taking the view, 'Well actually we have given you all these tax advantages. Don't expect us to  
pump in all sorts of economic fiscal stimulus, because you are not on the same tax regime as we  
are.'

145 I think, in principle, it is better for Alderney to retain the same tax arrangements that Guernsey  
has, but for us to take a coherent and organised approach to pumping in economic stimulus,  
funded from general revenue to which Alderney contributes just as much as the Guernsey  
community does.

So, on that basis, sir, with some reluctance I think I will vote against this amendment.

150

**The Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Thank you, sir.

I agree with what Deputy Fallaize has said, and I will be opposing the amendment.

155 But just a few words on this tax cap for Alderney, because we were – and I think Deputy  
Fallaize used the word 'blamed' for doing this, to cause this frenzy of amendments to come  
forward to try and gain some advantage. The thing about the cap that was put forward here, it  
was at no current cost to general revenue at all. It was sold and put forward as a win-win situation,  
because for someone to move in from outside the Bailiwick and settle in Alderney because of that  
160 cap, would mean they would gain a new resident and we would gain £50,000 – there is nothing to  
be lost. It may or may not be successful. So I do not think that is quite the same as actually  
proposing something which will break our fiscal rules, and that is the difference. So no more to be  
said.

165 I urge Members not to support this because we are awaiting shortly a report which will give a  
whole new strategy towards how we could help Alderney in its problems – and we actually mirror  
some of those problems ourselves, but not quite on the same scale.

**The Bailiff:** Deputy Brehaut.

170 **Deputy Brehaut:** Thank you, sir.

I am sure when people come from the UK or Europe and visit Guernsey, the first thing that  
strikes them I am sure is the volume of cars and the car usage, and it must cross their minds why  
do people who live on such a small Island in the middle of the English Channel... why they are so  
car dependent. But when you visit Alderney it is the first thing that absolutely jumps out at you,  
175 that you arrive there you anticipate walking somewhere but you are already offered a cab to travel  
a very, very small distance.



Now, Guernsey is a relatively isolated community; Alderney is further one removed, and you would anticipate the import of gas and petroleum being higher, because people largely choose to live in those environments for the benefits. But those benefits come at a cost.

180 What we appear to be trying to do here is to try and get something to work when we do not quite understand why it is not working. We have the television in front of us and we try turning it on and off again, we have punched it on the top, we have kicked it, but we still cannot clearly see what is wrong with it. And this is what bothers me about supporting this amendment.

185 We will do something that we hope works, but we do not know – because we do not fully understand exactly what is wrong with the Alderney economy. People will see yesterday it was clearly the runway strip that was Alderney's problem. Now we hear that Alderney's problem is the average wage, and the percentage of people's income that they are spending on fuel oil, and things. We do not clearly understand that. We have not got the report we are waiting for in front of us.

190 So I will not do something else, by the way which I know would be seen clearly as a goodwill gesture, well-intended, without then fully understanding what I would have to do later on to correct the decision that I have made today.

So I cannot support this amendment.

Thank you.

195

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Thank you.

200 Sometimes with radios and phones I used to drop them on the Deputy Brehaut principle that they would work better. It does not seem to work so much with iPads.

205 We have heard several speeches today questioning the wisdom of this amendment. I think we have got to talk a bit of context here. There is a kind of fiscal union between Guernsey and Alderney. It is not total because Alderney has its own, I believe, separate company rates and separate internal rates, instead of our parochial rates, and there are certain other charges in Alderney that are different from Guernsey. I think it goes back to the era of Mr Raymond Falla and Sir Graham Dorey when there was almost talk of Alderney being the eleventh parish... which is an oversimplification, perhaps, of the relationship as it has evolved. Indeed, Alderney has had certain freedoms *re* gambling that Guernsey has not had, for example, perhaps.

210 When you look at the bigger context, we are going to have a debate later today about the merits of sport and the Guernsey Sports Commission. Now, Culture & Leisure provide a lot of spending on the Island really, but none of that applies to Alderney.

215 Deputy Brehaut has just pointed out that Alderney is full of cars – which it is, albeit older and perhaps less chunky cars generally speaking than Guernsey. But here is a thought, we have spent many months now debating the rights and wrongs of the Transport Integrated Strategy. Alderney has no publicly-funded bus services at all on the Guernsey model. So an Alderney taxpayer, unless he or she comes to Guernsey on the Bumblebee Boat or by plane, will never benefit from the merits of the CT Plus service. So we are not the same and it is foolish to believe that we are.

220 One thing that is certainly true is – I used to make the case, and was criticised by some Members – along the lines that perhaps at different stages in our economic cycle we had relatively low petrol prices and that it did not discourage unnecessary journeys around the Island. That certainly is not true of Alderney. Let's look at the facts: diesel is £1.42 a litre and petrol is £1.48. We have 'Enough is Enough' rallies here, with 2,000 people getting angry if it approaches £1.20! But £1.48 for people on much lower incomes?

225 Heating oil is 30% higher in Alderney, and electricity is really expensive. Marine diesel is much higher. Marine petrol is getting on for nearly double. That is a huge difference. We know too that the footfall of local businesses, especially in the winter months, is low.

Just imagine this, you are walking in St Anne's in January and it is 4 o'clock and it is getting dark. The poor shop keeper who has a maximum of 1,800 people, of whom a third are probably

230 off the Island in January is opening, and paying electricity for a lit shop, when there is scarcely a  
parochial population in sight. Life for businesses there is different from Guernsey, or Jersey come  
to that, and I think we have to see Alderney as a regional-aid kind of place.

I mean, we have all these debates in the UK about the merits of Northern Ireland and Scotland  
and Wales with the Barnett formula and all the rest of it, and we have the macro debates on the  
rights and wrongs of the Euro and whether Greece is the same kind of economy as Germany. I  
235 would argue that Alderney has a different population mix, a different economy, but for historic  
reasons is linked to us and we need to treat the area, as I think a local entrepreneur – it might  
have been Mr Eisenberg suggested – as a differential area.

Now, I would take to task Deputy St Pier in one respect, on something he said yesterday,  
because he said, 'Let's give it a go'... the idea of changing the limits for Alderney new residents  
240 compared to Guernsey, with the tax cap. And I thought it sounds like one of my amendments  
really; I have said 'Let's give it a go!' and sage Members like Deputy Quin have said, 'What is the  
evidence for that, John? What is the proof, what is the overall strategy?'

Well that is what we are doing with Alderney at the moment, because we are having one  
Alderney issue after another, without seeing the report that Deputy Langlois has put together, or  
245 having any overall picture. But we have already said yes to two of them and we really should  
acknowledge that the fuel issue in Alderney is critical. They do not benefit from Guernsey  
Electricity owning the whole electricity company either, and the certain amount of support we give  
them through bonds or other initiatives... and we really do need, at this stage, before the overall  
strategy that Deputy Fallaize and Deputy Brehaut have identified might be needed as a 2020  
250 vision, to given them support. And we need to arrest the economic decline and crisis.

We are not just hearing that through the media and from our Alderney Representatives, we are  
hearing that from professorial advisers, that Alderney is slipping down the slope and is potentially  
dragging us with it. So we need every possible stimulus we can.

So I will support the amendment today and for the foreseeable future.

255

**Deputy Collins:** Point of correction, sir.

**The Bailiff:** Deputy Collins.

260 **Deputy Collins:** Sir, Deputy Gollop said that later today we will be having an amendment laid  
by the Guernsey Sports Commission and that is clearly not true. (*Interjection*) Guernsey Sports  
Commission are supportive but, of course, it is an amendment from myself and Deputy Fallaize.  
Thank you.

265 **The Bailiff:** Deputy Langlois, then Deputy James.

**Deputy Langlois:** Thank you, sir.

I was going to talk a little bit later, but in view of two of Deputy Gollop's comments I thought I  
should speak.

270 Deputy Fallaize is absolutely right, the Policy Council is going to bring a report in January  
regarding the financial balances between the two Islands, and this is a case, I think, where we  
should have the bigger picture. By the way, just to correct for the record, this is not a report that  
Deputy Langlois has already – he did not say *cobbled* together, I think Deputy Gollop said *put*  
together – but work is going on in that area, and we will come back in January, all being well, and  
275 we will certainly be doing that. This must be done in a context.

Sir, the other point that I was going to make compared with Deputy Gollop's conclusion was, I  
was with him for about two-thirds of the way and then, not unusually perhaps, when we got to  
the conclusion funnily enough he drew exactly the opposite conclusion from what should be the  
right one – and that is, because of a lot of what he said, we should wait until that report has been  
280 debated and the bigger picture is available.

285 Just to reinforce and to confirm that the Alderney Liaison Group are working closely... the States of Guernsey and the States of Alderney are working jointly on this report. It has got to be a Policy Council report, because it is a Guernsey report; but nevertheless there is no point in bringing a report that ignores what Alderney thinks – and there is a lot of work going on in that area.

I think, simply, the timing of this one is wrong. I would also point out we have got to be a little bit careful with the conclusions we draw about fuel price, at a rough calculation in a sort of average modern car, it will cost you roughly a fiver for driving around Guernsey – sorry, a couple of pounds to drive round Guernsey once. You can drive round Alderney at least four times for that, and therefore it is very difficult in the index... The point I am making is a relatively serious one, once you start messing with indices and indexation, and how much money goes on particular expenditure... and I know it is not only about petrol for cars it also depends on the circumstances you are in.

Please oppose this amendment, it is not timely.

**The Bailiff:** Deputy James, then Deputy Lester Queripel and Deputy Stewart.

**Deputy James:** Thank you, sir.

300 Sir, initially I would like to echo the words of Deputy Perrot yesterday, when he recognised the sterling representation from the Alderney Reps on behalf of the people of Alderney. I would concur with those comments completely.

305 Sir, listening to the words of Deputy Fallaize, I could almost be persuaded to agree with him. However, we are not talking about a level playing field here. Looking at this price comparison chart that has been circulated to us all, it is not a level playing field. This is an essential commodity required and needed by every single man, woman and child in Alderney. Also there is not the level of competition in Alderney. Garages in Guernsey can up and down their prices to attract custom. I would think that the competition in Alderney is indeed very limited. I think that the total amount of money, whether it is £40,000 or £42,000, I think that is a small price for us to pay to help in a very, very small way, the people of Alderney.

310 So on that basis, the fact that that it is not a level playing field, I would ask you all to seriously consider supporting this amendment.

Thank you.

**The Bailiff:** Deputy Lester Queripel.

315 **Deputy Lester Queripel:** Thank you, sir.

320 Sir, Alderney itself is making major efforts to improve its economy, as I said in my speech yesterday during the debate on the refurbishment of the runway. I also said in my speech yesterday that Guernsey needs to help Alderney to prepare for success, because due to the tremendous efforts of the residents of Alderney, success will come – but it will only come if we give as much support to Alderney as we possibly can.

325 It is not as if Alderney is asking for a handout, because Alderney is doing its utmost to pay its way. It has established a niche market in biodiversity, which attracts visitors from all over the world. As Alderney Representative, Louis Jean, has already alluded to, a new anti-money laundering business has recently been established in the Island which has created seven highly-specialised posts.

Now if the residents of Alderney were not making such efforts themselves, well then perhaps I would think twice about supporting this amendment, but they are making tremendous efforts. I see this as an interim measure, a safety net until the cavalry arrives.

330 So, sir, I urge my colleagues to support this amendment and indeed help Alderney prepare for success, because if Alderney does well we do well – and vice versa.

Thank you, sir.

**The Bailiff:** Deputy Stewart.

335 **Deputy Stewart:** Mr Bailiff, I could not agree with Deputy Fallaize more, in the speech he made. We are having a substantial report. There has been a huge amount of work and support given to Alderney, but to start piecemeal trying to tweak this and tweak that is really not sensible. What we need before this Assembly is a proper strategy for how we are going to, if you like, give Alderney some rebirth.

340 I think the cost of transport wherever you are, varies and Deputy Brehaut makes a good point if you do live in a more remote area it can be a lot more; but then living in London, if you want to commute in, you are talking £5,000 or £6,000 just for your annual train ticket. So I think you make the choice where you live and actually those costs go with it, and you make that decision with the full knowledge. I think tinkering with different rates between fuel at the moment is really  
345 premature. It is not going to be too long.

I would like to say there is a huge amount of work going on in the background. The anti-money laundering initiative is something that we started, I remember, in the early days at Commerce & Employment with my former head of Financial Sector Policy Unit, Jarrod Cowley-Grimmond; and we worked closely with Alderney since that initial germ of an idea and I think that  
350 is coming to fruition very soon – in fact there should be... I believe they are trialling it at the moment.

E-gambling: at the moment in Commerce & Employment we are working directly with the AGCC to look at ways of how we can grow that, and put a report and maybe look at ways of developing the e-gambling offering, by using some of the Economic Development Fund at the  
355 moment, so that is very much a live project to help.

One of the things I have been working with Alderney, and something that I believe the Island really can offer, is a form of eco-tourism which is for youth tourism. There is an Island which is safe, it is remote, positioned off the south coast where there are some very wealthy both state and public schools, and youth tourism requires very little infrastructure. This is something I have talked  
360 with the Commissioner of Scouts for the whole of the UK, Wayne Bulpitt, who himself is a Guernseyman, who believes it could be a fantastic opportunity for Alderney to embrace. And if you want to drive numbers to get more boats, if you want to drive numbers to get more aeroplanes, this will drive numbers in Alderney, and I really hope that there will be the political will to investigate this, because I believe it is an idea where so many small businesses could develop  
365 hanging off around youth tourism in Alderney.

So actually I am an optimist. I think with political unity and with the right strategy in place Alderney really can reinvent itself, and really can go forward. But dealing with this just in a piecemeal strategy I do not think is the right way – let's wait for this report to come in January. And that is why I cannot support this amendment at the moment, sir.

370 Thank you.

**The Bailiff:** Deputy Trott and then Deputy Green.

**Deputy Trott:** Thank you, sir.

375 Sir, there are no votes in this amendment for 45 Members of this Assembly, and as a consequence I think we can all look at this in an entirely objective manner.

Now, Deputy Stewart talks about tourism in Alderney. So let's just imagine, sir, a chap flies his aeroplane over for the weekend with his family and has to fuel up with Avgas. He will pay approximately twice as much for the privilege in Alderney as he would here in Guernsey.

380 Let's take the chap, sir, coming down with his family on his boat from the south of England to enjoy Alderney's hospitality for the weekend. Exactly the same problem will confront him when he looks to put a dollop of diesel, marine diesel, in his boat for the homeward journey.

Sir, Deputy Fallaize asked me how this amendment will affect the Budget, and I was very grateful to him for doing so, because the answer is it will not. Let's have a look at page 6 in the

385 Budget Report, sir, we can see we deal in millions, amounts of £42,000 are lost in the roundings.  
(*Interjection*) You would need a figure, sir, 12 times greater to affect this Budget... it is lost in the  
roundings.

Let's imagine just for a moment what £42,000 is in terms of the big picture. Well in terms of a  
single new resident in Alderney who is able to take advantage of the new tax cap, it is £8,000 less  
390 than that particular incentive. And £42,000 represents about 40 minutes of the cost of running the  
Bailiwick of Guernsey's public sector. In other words less than the amount of time we will spend  
debating this amendment. The number is very tiny for us.

But it is enormously material for the people of Alderney and others have already given some  
examples why. Let's look at the reasonableness test that Deputy Gollop talked about and how our  
395 community would react if faced with similar conditions. It is possible, sir, to buy a litre of petrol in  
Guernsey for about 95p. You cannot buy a litre of petrol in Alderney for less than £1.48. That is an  
absolutely extraordinary difference and one that is materially, I think, worthy of separate  
consideration.

Now, sir, I am conscious that Alderney serves as a constant reminder of what this Island could  
400 become if we take our eye off the ball. I have said before in this Assembly and I know that many  
of my friends in Alderney were somewhat concerned by this expression, but I am going to use it  
again. Alderney is an economic basket case. In fact Deputy St Pier, in his excellent opening speech  
yesterday, said that by all definitions Alderney is a failing economy. Nothing could be truer. Now,  
sir, amendments such as this help ensure that the dangers of our collective complacency are kept  
405 on the front foot. We cannot go on making gestures towards this Island. It needs help and it  
needs help now.

I urge Members to support this amendment.

**The Bailiff:** Deputy Green.

410 **Deputy Green:** Mr Bailiff, thank you very much.

Like many others I have much sympathy with this amendment and I certainly recognise the  
intent behind it. I listened very carefully to what Alderney Representative Jean said. I think he  
made the case in a very moderate way and I think he did not exaggerate the strength of this  
415 amendment. I think he made it in a very reasonable way.

Now I have just listened to Deputy Trott say that we should look at this amendment in an  
objective way. I thought that was what we always did when it came to matters in this Assembly.  
He said that 45 Members of this Assembly do not have any votes in supporting this amendment –  
well, I can only speak for myself, I always try to look at things in an objective manner, Deputy  
420 Trott. (*Interjection*)

The other thing is, he spoke about the fact that this will only cost £42,000 in 2016 – well I am  
sure every Member of this Assembly has got their own pet project that probably could cost  
£42,000 in the collective, that would not be in the interests of this Island.

Now, Deputy Trott also said, referring to Deputy St Pier's speech yesterday, that Alderney is a  
425 failing economy. Something else that Deputy St Pier said yesterday, in his introduction speech to  
this Budget, sir, in what I thought was an exceptional speech, an excellent speech, he did refer to  
the fact that there are no quick fixes for Alderney. I think that is the key issue isn't it? There are  
significant economic and fiscal challenges facing Alderney, but the correct way and the strategic  
way to respond to those challenges is, as Deputy Stewart said a moment ago, to do it in a  
430 strategic way with a substantial policy letter before this Assembly, and to do it in the correct  
manner with all of the evidence and the facts before us.

It is a question of timing, as Deputy Langlois said a moment ago. It has to be properly thought  
through. The danger of doing this piecemeal... I see the logic of this amendment, I see the effect it  
could have. I do not think it is in itself a token gesture, I think it is more than that, but it is not  
435 doing it in a strategic way – it is doing it in a piecemeal way and that is not the right way to do it.

So, I do have a lot of sympathy with this amendment but like others I will not be able to support it.

**The Bailiff:** Deputy Le Tocq, and then Deputies Bebb and Conder.

440

**The Chief Minister (Deputy Le Tocq):** Sir, I have been suffering with a cold, so I did not say much yesterday, but my voice has come back today. (*Interjections*)

Sir, I wonder whether Deputy Trott, if he was sitting in the Treasury Minister's chair, would be saying it is 'only roundings'? (*Laughter*) Because I imagine from my time serving on the Treasury with him that he would be saying something quite different. It is very easy to say those sorts of words, but the fact is once we have made this move, it may be £42,000 next year, but it is going to be very difficult to go back, and this will have a cumulative effect and we cannot get away from that.

So I think there is a danger for Alderney as well, which has been alluded to already by Deputy Fallaize and others, and that is that whilst some Members of this Assembly might be in favour of voting for certain amendments now that look like they would help Alderney perhaps in some small way, the danger is when it comes to that holistic approach, which is necessary because it is a complex set of issues that effects the economy in Alderney... when we look at that piece of work that is being worked at in conjunction with Alderney, through the Alderney Liaison Group led by the Deputy Chief Minister, it could well be that those who voted and supported so strongly these measures will say, 'Well we have done that already, we do not need to do any more'. And it seems to me very likely that we are going to need to properly look at this issue in a much more well-rounded and appropriate way, because there will be several measures.

It may well be that a measure such as this could be effective, but on the other hand we do not know, it could have a detrimental effect on other measures that could be put in place to help stimulate the economy in Alderney. I certainly do not want to do something that is putting a sticking plaster over a wound and then later on saying we have not got anything left to help the wound that still exists underneath.

I do understand the sympathy towards Alderney and I would hope that every Member of this Assembly is empathetic, but the time to look at the issue in Alderney is, as a Deputy Green has just said, when we have that policy letter before us that puts the whole case for the economy of that small community before us, and we can make that decision.

So, I urge Members not to support this amendment.

**The Bailiff:** Next Deputy Bebb, then Deputies Conder and Perrot.

470

**Deputy Bebb:** Thank you, Monsieur Le Bailli.

In considering this amendment I would ask Members first to consider the fact that we have a constitutional arrangement – I will wait, (*Laughter*) it is good... glad to know I am so popular.

475

**Deputy Brehaut:** You can lose that sort of number in the roundings. (*Laughter*)

**Deputy Bebb:** Guernsey has a constitutional arrangement with another Island in this Bailiwick, and I think that parallels could be drawn as to where it will end up if we continue along this line. Deputy Fallaize was quite right in saying where does it end. We have another example available to the residents of Alderney should they wish to pursue that.

Guernsey is 25 square miles. Alderney is three square miles. So the question as to the cost of running a car I think is not lost in relation to the distances. But Sark is 2.1 square miles, not that different, and Sark copes very well without the need for petrol as a commodity for every man, woman and child, as Deputy James suggested.

I think that the problem we have here is the very real question of whether or not we are to continue with fiscal union and, as Deputy Gollop raised in his speech, Alderney does not currently

enjoy the arrangements in relation to transport that Guernsey enjoys. The question will therefore come if we are to have a different arrangement of taxation, are we to have a different  
490 arrangement for expenditure? I question very seriously whether the Alderney Representatives wish to go down that route before the overall report is made.

It may well be that Alderney will be of the mind to go down that route and if that is the will of the people of Alderney I say farewell to them – and I wish them very well. But if that is not what  
495 their wish is, then they must accept that any approach needs to be a coherent approach as we are to have in the January debate. I honestly believe that some of the measures that are now being approached put us at a point where fiscal union really is coming to an end – we are sleepwalking into it and if we are to see an end to fiscal union we really should re-evaluate whether we actually have the same expenditure.

I honestly believe if that is not the wish of the Alderney Representatives they should continue  
500 with this amendment and, further, to lay the next one. But if they honestly wish to remain inside the fiscal union then I would question whether this amendment and the next one, are really the right course of action.

Thank you.

505 **The Bailiff:** Deputy Conder.

**Deputy Conder:** Thank you, sir.

I think most of the issues have been covered, but I have just got one observation and a couple of questions for Alderney Representative Jean.

510 The one observation which has already been made, but perhaps needs to be re-emphasised: the cost of transport, of course, is a product of the cost of fuel and how far you can travel – a number of people have said that, so one has to bear that in mind when comparing the cost of a litre of fuel for whatever type of fuel it is. I think I have said in this Assembly before, the cost of transport in the UK is massive because people travel so far, in terms of the family budget.

515 But coming back to the other points, this surely is an issue of regional development grants and eco-development. This is a macro issue not a micro issue. It is a macro issue of how we support another part of our Bailiwick, we as the Government, and that surely is a macro decision which we will debate later on in this States' term.

My question really to Deputy Jean, and I would be grateful if he would... (*Interjection*) sorry,  
520 thank you, *Representative* Jean. To what extent if this amendment was passed would it make a real difference to individuals in Alderney? But perhaps more significantly if, as we all hope, Alderney's economy recovers will he, or will expect his successors, to lay another amendment to reverse this, to return the cost of fuel and the cost of the tax on fuel to the same, because that is significant? Is this a temporary expedient, is it permanent? It should not be, because if as we all hope Alderney's  
525 economy returns to health, then presumably this should be reversed. I would like to hear his response to that.

Thank you, sir.

530 **The Bailiff:** Deputy Perrot, and then Deputy Le Pelley and Deputy Hadley.

**Deputy Perrot:** Not only am I deaf, sir, but I have mislaid my glasses so what I am about to say will be rather more ragged and rambling than usual, and I apologise to Members but perhaps you would pass that on to them. (*Laughter*)

535 Coming in this morning there was a fascinating piece on the wireless, it is a day to celebrate really, this is a but when NASA has got a spaceship travelling at just over 30 miles, over the surface of one of the moons of Saturn, and there is every possibility that in doing that it is going to discover some sort of simple or elementary lifeform. (*Laughter and interjections*)

I now turn to Deputy Trott. (*Laughter*) He says there are no votes in a debate such as this. I hope that I am drawing entirely the wrong inference that if there are votes on something that will

540 colour the way in which he speaks on anything. I am going to keep a very close eye on this Member (*Laughter*) in the period leading up to next March.

Anyway, just a couple of points he made. He talks about this money just being lost in the rounding, the £42,000. Well if that is trivia to him, it is a small fortune to me. (*Laughter*) Irrespective of whether it is a penny or a million pounds, what we are really talking about here is matters of principle. Actually, Deputy Trott himself says, 'We must stop making gestures to Alderney' and he seconded one! (*Laughter*)

To be serious about Alderney we must not tinker with it. What we were proposing at Treasury & Resources about tax capping, as Deputy Kuttelwascher said, was it can only be a win – there is no down side, there was no fiscal loss, it could only be of benefit to Alderney.

550 But I wish to go much further than that. That is why I think we need to have a very much more focussed view about Alderney. There needs to be a focussed policy letter. I do not know what is going to be proposed in the forthcoming policy letter, but my own proposal would be that we give not only tax caps, but we give tax *breaks* to people who set up and retain businesses in Alderney. So that if somebody sets up a company, because of Zero-10 giving a tax break to a company is irrelevant. What we have got to do is to give tax breaks to people who own companies which set up commerce which employ people, which are successful and stay.

555 My own personal credo, you may disagree with this, is people who are prepared to risk their money by setting up new businesses *should* be given tax breaks. But here is the rub – I went to a Shakespearian thing last night so this is very much on my mind at the moment. We have got to do it you see, not just for Alderney but we have to do it for Guernsey as well, because we have not got a broad enough tax base. So we cannot just look at Alderney in isolation, there has got to be a refinement of what I have in my mind about this. There are nuances, there would have to be slight differences in approach between Alderney and Guernsey.

560 So again whilst I repeat my sympathy to the sentiments expressed by Alderney Representative Jean, I perfectly understand why he is coming to Guernsey to bring this sort of amendment. I would do that in his place, but worthy as that is I think it is wrong. I think that Alderney has to be patient and to wait until this focused policy letter comes before the States. If it does not contain the sort of thing that I have been talking about as my own credo, I shall certainly be leading an amendment in that behalf at the time.

570 **The Bailiff:** Deputy Le Pelley, then Deputy Hadley.

**Deputy Le Pelley:** Thank you, sir.

I shall be supporting this amendment.

575 There exists and has existed in the UK since March 2012 a rural fuel rebates scheme. It includes such places as the Inner and Outer Hebrides, the Northern Isles, the Island of the Clyde and the Isles of Scilly. Since May 2012 this has been extended, and now includes such places as Northumberland, Cumbria, North Yorkshire and even closer to home, Devon. I do not hear any argument within the British parliament about whether that is going to be breaching arrangements with taxation or all the rest of it. I think that if the British Government, with EU support, has allowed for these 17 regions to be classed as in need of special arrangements, then I cannot see why Alderney cannot have a special arrangement with the States of Guernsey.

Thank you.

585 **The Bailiff:** Deputy Hadley.

**Deputy Hadley:** Mr Bailiff, reference has been made to matters of principle as far as Alderney is concerned, and it has to be treated differently. We spend very much more per head of population of education in Alderney than we do in Guernsey. We have to and I am sure a similar situation arises as far as health is concerned.

590



On the specific issue of this Proposition I am asking the Treasury Minister, because it seems to me that when this increase was proposed, one of the reasons given for increasing the tax was because the international price of oil has fallen so much. There has been a big drop in the cost of petrol and the oil-based commodities on this Island and therefore by increasing the fuel duty we are still getting our petrol very, very much cheaper than we were at the peak of the oil crisis. Now my understanding is that the price in Alderney has not fallen to anything like the level that it has in Guernsey, or in proportion terms, and therefore it does seem to me there is some justification in treating Alderney differently as far as the tax is concerned, because they have not had the big drop that we have in fuel price.

**The Bailiff:** Deputy Sherbourne, then Alderney Representative McKinley.

**Deputy Sherbourne:** Thank you, sir.

Members, I will be brief. I have a certain sympathy for this amendment. And yet I fully understand the points that have been made very powerfully, starting with Deputy Fallaize's explanation of the big picture.

If I remember rightly, right at the beginning of this term it was made very clear to us about the problems that Alderney was facing. This has not happened overnight, it has happened over a long period of time and we have gradually seen that slide, population decline, and the problems that come with it. Therefore the sympathy I have with what could be seen as opportunistic amendment is right for Alderney, they need help now. They do not need to wait as we have waited for just about every little bit of policy that we have actually passed here over the last three years, which is still on the shelf somewhere, or in the hands of T&R deciding whether they will release funds to actually make sure we can implement.

I believe that this sort of short-term initiative is appropriate. I do understand the question that my friend Deputy Conder asked with regard to should things improve in the future could that then be re-adjusted. It would not be beyond the wit of our Deputy Minister, who is leading the Alderney Liaison Group, to actually make sure that is actually reflected when we eventually get that report.

I do believe that this is a case where help is needed now and even if it is seen as tokenism, then so be it because if it helps Alderney that is okay with me.

**The Bailiff:** Alderney Representative McKinley.

**Alderney Representative McKinley:** Thank you, sir, Members of the Assembly.

Maybe I am wrong, I hope I am wrong but I think I know which way this is going at the moment – it appears to be rather the same as yesterday afternoon when it suddenly picked up in our favour.

I do understand a lot of the reasons that have been explained today, but just two things I would like to put right. First of all we did say – or my fellow Alderney Representative, Mr Jean, did say – that we are prepared to give away or return part of the grant you already give us annually to make up for the cost of this. We obviously do not want to do that forever, but we will certainly do it during this period whilst the financial relationship is under review. Of course I support this amendment and I would like to see it go through.

I bring up my own amendment immediately after this, possibly, so I am not going to go into it in great detail.

But could I just also please... not so much for the benefit of the Members of this Assembly, but for those who are listening outside. There has been a lot of rumour going round in the last few months in the newspapers and on the radio, about Alderney making £51 million a year from the Alderney Gambling Commission. If that was the case we would not be asking you for this today. Of course we are not making that sort of money – we are making about £2 million. But it is a

popular belief out there that we are making it. Our financial relationship would be very different if we were.

645 The other point I should make is the rumour – and it was in *The Press* last week – that it is costing Guernsey £20 million a year to pay for Alderney. That is not the case. It is costing them something between £4 million and £5 million, I believe, over the year and we are contributing the difference of about £14 million or £15 million. I do not know the exact figures, I believe they are under review, but I believe we are not costing you £20 million.

650 Of course I support this amendment and I hope it goes through.  
Thank you.

**The Bailiff:** I see no-one else wanting to speak.

So, Deputy St Pier, do you wish to speak before Alderney Representative Jean replies.

655 **Deputy St Pier:** Yes, please, thank you very much.

Thank you, sir.

660 Deputy Fallaize, in relation to the tax cap. It is quite clear that the tax cap does not break the fiscal union of itself and as I said in my opening speech yesterday the tax cap clearly is merely another example of a regional incentive. Perhaps the largest and most recent similar example I can cite is the powers which have been given to Northern Ireland in relation to corporate taxation, and that is clearly operating within a fiscal union.

665 Deputy Le Pelley, in relation to the regional fuel scheme that he cited, the rural fuel rebate: of course the differences are the distances which are travelled in those jurisdictions which he identifies, the recognition that the populations there have to travel great distances to find the services that they need, and that is clearly not the case here in Alderney. If we are to look at regional differences – and Deputy Fallaize made a good point on that – then surely we would have a lower rate of duty out in the West because the residents of the West have much further to travel to get to the services than residents of St Peter Port or St Sampson.

670 Alderney Representatives Jean and McKinley have both made reference to their willingness to forego £90,000 from the annual grant that they receive from Guernsey. Actually just a point of correction: Alderney Representative Jean suggested that it is a capital grant, but actually it is the General Revenue Grant of £1.9 million. Now, sir, in this year's Budget the grant has been reduced by £20,000 in recognition of some kind of contribution from Alderney to the Financial Transformation Programme, which was outside the scope of Alderney. That £20,000 was  
675 contested strongly by Alderney that it was undeliverable. So I am surprised that they can conjure up £90,000 so readily.

680 Deputy Trott referred to Avgas and marine diesel for those visiting in aircraft and boats. Of course that has nothing whatever to do with this amendment. And I was very surprised to see Deputy Trott's name as a seconder on this amendment, given his strongly-held and clearly-articulated views on our fiscal union between the Islands – and of course as the general guardian of fiscal responsibility. *(Laughter and interjections)*

685 There are very few surprises in this Assembly, sir, but I was absolutely staggered to hear Deputy Trott describe this as being 'lost in the roundings' (**Several Members:** Hear, hear.) Those are words which I am totally confident will come back to haunt Deputy Trott many times and they will be cited many times, that Deputy Trott thinks they can just be 'lost in the roundings'. I know for a start Deputy Burford is welcoming Deputy Trott's enthusiastic support for the biodiversity strategy because that will be 'lost in the roundings'. *(Laughter)* I know too that Deputy Gillson, whose amendment will be strongly resisted by Treasury, is also counting on Deputy Trott's support that it will be lost in the roundings because actually *(Laughter)* he is hoping in that case  
690 that Deputy Trott will round down rather than round up! *(Laughter)*

Sir, I warned States' Members when they approved the amendment on the Island Transport Strategy which exempted Alderney from the fuel duty increase associated with implementing that strategy, that the consequence would be exactly this sort of amendment. So it has proven. Again,

695 this amendment is built on sentiment rather than evidence. Why only negate this year's increase?  
Why should it not be more, or perhaps less? As Deputy Conder has said whilst the pump price is  
higher in Alderney, what is the impact of shorter distances on the annual fuel duty contribution of  
the average driver in Alderney versus that in Guernsey?

700 Now of course it is only £42,000 you might say, and as Deputy Trott has indeed said, but it is  
£42,000 each and every year that follows. It is not only the roundings, because of course in 2016 it  
would need to be accommodated by transfer from the Budget Reserve. But in 2017 it would need  
to be found either by increasing other revenues or cutting other expenditure. We cannot keep  
salami slicing away our Budget Reserve with amendments like this because it makes us feel good.  
We have to be realistic.

705 In December last year the States approved a report entitled the Airport and Economic  
Development in Alderney which, of course, had been laid before the States by the Policy Council  
following a requête earlier that year by the late Alderney Representative, Paul Arditti. The  
Resolutions of that Report provided for the review of the financial relationship between the  
Islands and as has been said, the Policy Council will be reporting back on this matter early next  
year. I hope that will come to the States in January, if possible.

710 So prior to that policy letter this amendment is premature. As Deputy Conder said this issue is  
a macro issue, we should not be seeking to address it at a micro level. The right time to be  
considering whether there should be different tax rates between the Islands is when we have that  
policy letter before us, which examines the wider financial relationship between the two Islands.  
We should not be approving piecemeal amendments pending that debate. In fact whilst  
715 submitted with the best of intentions by Alderney Representative on behalf of his Island, I would  
go much further and I would say that this is in fact a very dangerous amendment for Alderney.

720 Why is it dangerous? This is in essence what Deputy Fallaize was saying, because if the policy  
letter that the Policy Council produces shows a net flow of funds from Guernsey to Alderney, an  
amendment such as this and the next one, incrementally compound that problem, as they would  
of course with differential rates of taxation in some area... There is likely to be public pressure to  
reduce the level of support for Alderney. And far from building sympathy, this amendment may  
damage the long-term interests of Alderney. I think Deputies Fallaize and Bebb made that point  
very well: be careful what you wish for.

725 The tax changes proposed in this Budget are needed because of the increased funding  
requirement for the Health & Social Services Department which of course provides a transferred  
service that is enjoyed by the residents of Alderney, and therefore the burden of funding that  
should be shared across all the residents of the Bailiwick.

This amendment is not fair and equitable and it should be rejected resoundingly.

730 **The Bailiff:** Deputy... you cannot ask him to give way because he has sat down now.  
(*Interjection*) You can raise a point of correction.

**Deputy Trott:** I think it is a point of correction. (*Laughter*)

735 Yesterday in Deputy St Pier's speech he gave an impassioned plea, sir, that in future we should  
not have fractions of a pence rise in fuel duty. He said there was a lesson to be learned: 6.7 pence  
we should round up to seven pence, that is what the retailers have done; .3 pence is equivalent to  
£100,000. This amendment £42,000. That was easily lost in the roundings. I stand by my  
comments earlier, sir. This is in the roundings.

740 **The Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Point of correction to Deputy Trott, if I may.

745 I do not think Deputy St Pier said the proposed fuel duties should be rounded up. He just said  
they should be whole numbers of pence. He did not mention the point rounding up and I think  
that is a little bit of spin – but there we go. Thank you, sir.

**The Bailiff:** No, that was not a point of correction to start with, I would like to say. I think we will bring that to a close.

Alderney Representative Jean will reply to the debate.

Alderney Representative Jean.

750

**Alderney Representative Jean:** Thank you, sir. I am just trying to get to where I have got to start here.

Deputy Fallaize recognised that the difference does break fiscal union, piling in with amendments. I would not say we are piling in with amendments. There are many amendments on this Budget debate. I mean, 16 amendments is quite something and plus three that I did not know were coming yesterday, which has really prolonged us getting to where, for instance, we hoped that perhaps Mr McDowall and Victor would see us working here. They unfortunately had other commitments yesterday afternoon, such as other meetings.

But it was good to see the support from our Finance Chairman and our CEO yesterday. I would not say we are piling in with amendments, these are very important to Alderney. It does not stop other tax rates and there could be an argument for a differentiation in Guernsey. Well, there are huge differences in Alderney, like for instance people seem in general to have concentrated on the car in Alderney, but there are other arguments to this. There are other facets to it. For instance our six fishermen will travel miles and miles and miles with the duty as Deputy Trott pointed out... sorry, with the cost of the fuel being considerably higher there they will travel miles to get their fish, and I know that their drums of fuel will cost them much, much more. The old age pensioners as well. They should be considered, it is not just about the car –

**Deputy St Pier:** Sir, could I make a point of correction. I think Alderney Representative Jean is possibly in danger of misleading the Assembly, albeit inadvertently. There is, of course, no duty on marine diesel.

**Alderney Representative Jean:** Nevertheless, as Deputy Trott has pointed out, marine petrol is much higher – but okay, I will accept your point.

Wait for the report from PC... I would like to agree with that, I really would, but we have got another winter coming. We have got another winter that we have got to go through with these high fuel rates. It is about assistance now, even if it is temporary... I will go into that later when I get to Deputy Conder's questions, which were of interest to me.

Belief that this might limit the headroom to help Alderney later on: I do not believe that is so because these could be re-adjusted as Alderney does succeed through the ALG and through the Treasury & Resources Committee.

Deputy Kuttelwascher will vote against the Alderney amendment... should we gain advantage... not prepared to break the fiscal rules: well, I am sorry, but I do not believe that this is breaking the fiscal rules at all.

Deputy Brehaut, you arrive and are offered a cab to get to such a small distance: again I do draw your attention... I will not again talk about marine petrol, but I will talk about fuel duty for the old age pensioners and the families, which is a difficult one. Deputy Brehaut wants to understand better.

Deputy Gollop referred to the Alderney rates and where he felt that this may have originated from years ago, and mentioned debate about sport and the fact that Alderney is full of older cars and does not have a bus service. Well, yes, he is quite correct and in actual fact I had a curious enquiry from the one chap in Alderney who does run a bus, who if you change your buses in time would very much like to buy a second hand one. So there we are.

Not the same: diesel oil £1.42, heating oil 30% more... who was this one? I am sorry I have lost – it is hard to write it down quickly enough. Now this is still Deputy Gollop. He made a lot of points about how it is not the same in Alderney – and it is not. He pointed out that he felt in many ways it was a regional aid case... different population mix... need to be treated differently... what

evidence on Alderney issue or they might not benefit... 2020 vision, give support to Alderney. Thank you for that, Deputy Gollop.

800 Deputy Langlois, two comments... agrees with Deputy Fallaize, should have the report – wait until the report Alderney Liaison Group – not supportive at the present time, but certainly does understand the situation in Alderney.

805 I cannot read what I have written here, who is this one? Agrees with Deputy Perrot, not a level playing field... essential commodity... look at the updated fuel table which I provided you with yesterday. Not a level playing field... and supported. Yes, that was Deputy James and I am very grateful for those remarks and grateful for your speech.

810 Deputy Lester Queripel: he wants Alderney to prepare for success, which I believe will eventually happen if we receive the support for this amendment. Alderney is not asking for a handout. Efforts in new business made, new business in Alderney working, and the Alderney Government working... asks for support. I am grateful for your speech and I thank you for that.

815 Deputy Stewart agrees again with Deputy Fallaize – piecemeal approach. I do not believe it is a piecemeal approach to do this now. I would look more on this as an interim measure to assist Alderney in the situation. If you look at our fuel table the costs are so much higher, that to keep off any rise means that not only do businesses survive paying much higher electricity bills and much higher fuel bills and, as one Deputy said, keeping the lights on in the shops with fewer customers, which is the situation during the winter that Alderney face. Any small assistance is valuable. This is not talking about breaking the bank. This is not talking about breaking the rules. This is talking perhaps, possibly, and in my view, about getting Alderney through another winter intact so that we can continue the recovery.

820 You make the choice of where you live... yes, yes I agree Deputy Stewart, you do make the choice where you live, but some people are victims of that circumstance; they live in Alderney and the situation there has changed, very greatly, in the last few years, and that is exactly what we are trying to put right with amendments like this.

825 Yes, we are looking at developing gambling, and you are working with Alderney – and for that Alderney itself is entirely grateful and applauds the efforts that Guernsey is making. But that work, in order for Alderney to benefit from that work, which is ongoing, we have to wait for those benefits to come, and indeed in time I hope they will – and I thank you for that very much indeed.

830 We want more youth opportunity, we want more skills. There is a shortage of apprentices in Alderney, the businesses are struggling, and this amendment is designed to help all business as well in Alderney.

835 Deputy Trott notes the vote for 45 Members... let's look at the fuelling of the private plane at twice the cost. This is exactly why this amendment is important. Alderney needs to be competitive; it needs private planes. It needs everything that comes into Alderney. It must try to get these things back. We need to look internally as well at what we do and how we do it. Trying to economise, trying to make things better. I really do accept that and it is very important that it is not just focused on the car.

How will this amendment deal...? And I agree with you this can be lost in the roundings, and it can be dealt with at a later date, but the point is there is a winter to get through.

840 Absolutely, very, very different economy. Really very different now. There are precedents as well in Scotland where taxation is treated differently under an agreement there, which has been in place for many, many years now.

845 Deputy Green, £42,000... some Guernsey projects would like that money... No quick fix to Alderney... do it in a strategic way with the report... piecemeal. This is not about overturning any of that Deputy Green, this is about assistance now – and actually quite important. That is the message I am really trying to get across to you.

Deputy Le Tocq would say it was not to be lost in the roundings, he does not agree... It is a danger to do this... look at the piece of work that we have done..., he wants to look at the main report and support that. Does not want us to stick a plaster on the wound... It is neither sticking a plaster on any wound, and nor is it trying to upset the work of the report. As I have said it is

850 getting through and assistance for now. You could probably actually be adjusting as we look at  
the report if we get... What we want to do is get through *this* winter intact. The winter quarters are  
the most expensive for Alderney, and the time when they are waiting the most for customers, the  
time when old age pensioners need their heating oil. And I know that in Alderney some people do  
855 cover up with blankets and take hot water bottles and try to manage without using their heating –  
which is not good.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, again a point of correction.  
860 This tax does not affect heating oil, sir.

**Alderney Representative Jean:** I am sorry, please correct me.

Okay, well let's go to Deputy Bebb... consider the arrangements on other Islands within the  
Bailiwick... three square miles... cars do not cost much to run in Alderney... Sark is different. He  
865 questions the different arrangements before the report, and he is willing to say farewell... *to us* –  
that is quite interesting!

Fiscal union is coming to an end... continue if they wish to remain in the union. Of course we  
wish to remain in the union, we are not trying here to remove ourselves from the union or rebel  
against the union. What we are trying to ask you to do is within the union to recognise the fact  
870 that the Alderney economy is different. It is functioning differently and it is struggling more. In  
actual fact what is interesting about the two economies, some of what happened in Alderney  
years ago is actually starting to happen in Guernsey now. You are aware of this and these are  
things, as Members of this States, we have got to be aware of. So I thank you for your comments, I  
hope I can swing you in to supporting us, but if I cannot, well, there we are.

875 Deputy Conder, you asked some very pertinent questions: how far is the travel of this issue...  
you look upon Alderney again as regional development, to be perhaps not micro managed.  
Developing what difference there is, and would you reverse this if things were to come right for  
Alderney... absolutely, yes of course I would, and I more than agree with that. What this is about is  
because of the difference, and yes if the Alderney economy were suddenly to have a wonderful  
880 upsurge within the next year or two, of course I would be quite happy to come up to the same  
rate as the fiscal union again and be in step with Guernsey – but we do have our own situation in  
Alderney.

There are some things there to iron out. Because of constraints on budgets and because of  
things that have happened in Alderney there is a small separate Alderney taxation, and one of  
885 those is on heating oil and that is something I have gone on about for a long time in Alderney.  
There is a £15 a tonne tax to use the pipeline to deliver to AEL imposed by the States of Alderney  
to cover the deficit on the Commercial Quay. I want that removed because I believe a very long  
time ago the deficit on the Guernsey Quay was paid off. So we have problems within our own  
Government regarding oil – and to some extent that has got to be dealt with as well.

890 But what I am asking you for, here today – and I agree with you – is to accept that we would  
come back to the same footprint as Guernsey when the economy recovers in Alderney and when  
we have dealt with our transport issues. So I thank you very much for that question, because it  
gives me the chance to say that. We do not want to step out of the fiscal union at all.

Deputy Perrot, yes I did enjoy the radio spaceship... and no votes to keep close... £42,000 trivial  
895 but not to him, small fortune to Deputy Perrot. Well, considering the remarks between the two  
Deputies, I am amused to hear that. Making gestures and not tinker with what was proper... much  
more focus on the policy letter... not only the tax cap – but he would recommend more  
stimulating measures for Alderney and if they were not there in the main report he would  
probably consider an amendment himself. Well in many ways, although perhaps I know you  
900 cannot or will not support the Proposition, despite everything that I might say to assure you that

we are not rebels and we are not trying to do anything that we feel that we should not, I thank you for your supportive remarks as well.

Deputy Hadley... Alderney has to have special support by increased tax, price has not fallen... there is merit in supporting Alderney – and I do thank him for those remarks.

905 Deputy Sherbourne: he is sympathetic, he talks about the slide and decline that we have been monitoring for quite a long time in Alderney now, and that we have known it for a long time. If things improve would we adjust back... so he is reiterating Deputy Conder's questions which were very good and you have received an answer to those that we would step back.

I thank Deputy McKinley for his remarks and support as well. (*Interjection*) Alderney Representative McKinley – sorry about that, yes.

910 Deputy St Pier: he does not agree that the money will be lost in the rounds, and the consequence would be the sort of amendment... cutting at the Airport and resolutions to... he goes back to Alderney Representative Paul Arditti and the Airport Report... and the amendment is premature – well it is not premature inasmuch as this will not do a lot of good to Alderney during this coming winter. The state of the Alderney business and the customers and the footfall that the Alderney business does not enjoy during the winter, is why this amendment is needed. So in other words, perhaps it is an interim measure more than it would be premature. Again, lost in the roundings.

920 I think really that is all I have to say, but I thank the Deputies for their supportive comments and their interest. It has been an interesting debate and I am really hoping that you will support this amendment.

I would like to thank Deputy Trott very much for seconding it, I am very grateful to you and thank you for recognising Alderney's needs.

Please give the amendment your support.

925 Thank you, sir.

**Deputy Trott:** Recorded vote please, sir.

930 **The Bailiff:** We vote, then, on the amendment proposed by Alderney Representative Jean, seconded by Deputy Trott, and there will be a recorded vote.

*There was a recorded vote.*

**The Bailiff:** Well, Members that amendment appears to have been lost but we will get the formal declaration of the voting record shortly.

In the meantime, I suggest we move on with the next amendment to be proposed by Alderney Representative McKinley and seconded by Deputy Quin.

935 Alderney Representative McKinley.

**Alderney Representative McKinley:** Could I ask for a time out? In view of the last debate and the possible similarities between the two, I would just like to discuss with my fellow Representative and my seconder.

940

**The Bailiff:** So you would like what, a 10 minute adjournment?

**Alderney Representative McKinley:** Well just five or ten minutes if possible, sir.

945 **The Bailiff:** Members, I put it to you then that we just rise for 10 minutes. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** We will rise for 10 minutes.

*The Assembly adjourned at 11.05 a.m.  
and resumed its sitting at 11.15 a.m.*

**Annual Budget of the States for 2016 –  
Debate continued**

*Amendment 8:*

*Not carried – Pour 10, Contre 34, Ne vote pas 0, Absent 2*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>ABSENT</b>
Deputy Gollop	Deputy Le Clerc	None	Deputy David Jones
Deputy Sherbourne	Deputy Conder		Deputy Wilkie
Deputy Lester Queripel	Deputy Bebb		
Deputy Le Pelley	Deputy St Pier		
Deputy Trott	Deputy Stewart		
Deputy James	Deputy Gillson		
Deputy Quin	Deputy Ogier		
Deputy Hadley	Deputy Fallaize		
Alderney Rep. Jean	Deputy Laurie Queripel		
Alderney Rep. McKinley	Deputy Lowe		
	Deputy Le Lièvre		
	Deputy Spruce		
	Deputy Collins		
	Deputy Duquemin		
	Deputy Green		
	Deputy Dorey		
	Deputy Paint		
	Deputy Le Tocq		
	Deputy Adam		
	Deputy Perrot		
	Deputy Brouard		
	Deputy De Lisle		
	Deputy Burford		
	Deputy Inglis		
	Deputy Soulsby		
	Deputy Sillars		
	Deputy Luxon		
	Deputy O'Hara		
	Deputy Harwood		
	Deputy Kuttelwascher		
	Deputy Brehaut		
	Deputy Domaille		
	Deputy Langlois		
	Deputy Robert Jones		

950 **The Bailiff:** Well, Members, I can announce the result of the voting on the amendment that was proposed by Alderney Representative Jean, seconded by Deputy Trott. There were 10 votes in favour and 34 against, I declare that amendment lost.

Alderney Representative McKinley, what do you wish to do in respect of the next amendment that has been circulated?

955

**Alderney Representative McKinley:** Thank you, sir.

Of course, I congratulate my colleague Louis Jean and I thank all of those in the Assembly who supported this amendment, which sadly failed. In view of the points raised and made very clearly by a number of the Deputies here, we have decided in this case that discretion is the better part of



960 valour and we therefore... many of the points that I have raised or would raise in the next hour or  
so would be very similar to the ones that have been raised throughout the first hour and a half of  
this meeting this morning. There has been very much debate –

**The Bailiff:** Are you making a speech to lay the amendment or are you withdrawing the  
965 amendment?

**Alderney Representative McKinley:** I was just trying to say thank you. I have nearly finished,  
sir, if I may.

Much debate focused on Alderney over the last two days – probably more, as Deputy Quin  
970 told me, than in his 16 years as a Deputy here. I am enormously grateful for what happened  
yesterday and the result. We very much look forward to the financial relationship review and its  
outcome.

Thank you very much, sir, we withdraw the amendment.

975 **The Bailiff:** You do not wish to lay the amendment. Thank you very much.

In that case we move on to the amendment numbered 10 to be proposed by Deputy Sillars  
and seconded by Deputy Conder.

Deputy Sillars.

*Amendment:*

*In Proposition 17 to insert at the end of the words: 'and with the addition of £264,000 per annum  
(for 2016 and in subsequent years) to the net routine capital expenditure cash limit of the  
Education Department as a ring-fenced maintenance allocation for the Baubigny site: St  
Sampson's High School and Le Murier School, the increase to be funded by a reduction in the  
Budget Reserve.'*

**Deputy Sillars:** Thank you, sir.

980

**The Bailiff:** Do you wish to have it read?

**Deputy Sillars:** I think so please, sir.

985 **The Bailiff:** Greffier.

**The Senior Deputy Greffier:** 'In Proposition 17 to insert at the end of the words: "and with the  
addition of £264,000 per annum (for 2016 and in subsequent years) to the net routine capital  
expenditure cash limit of the Education Department as a ring-fenced maintenance [allowance] for  
990 the Baubigny site: St Sampson's High School and Le Murier School, the increase to be funded by a  
reduction in the Budget Reserve.'"

**The Bailiff:** Deputy Sillars.

995 **Deputy Sillars:** Thank you, sir. I will be brief.

Last year the States approved a very sensible amendment to create a sinking fund for Les  
Beaucamps High School. This was approved, as it was recognised that it was a sensible solution to  
ensure that we invest in our assets and have resources to properly maintain our key infrastructure.  
The creation of a sinking fund has for the first time allowed us to consider with some confidence,  
1000 that the costs associated with carrying out major repairs and replacements when they are needed  
can go ahead without affecting other Departments' capital schemes or finances. In effect, by  
defaulting we are building an Island infrastructure plan from the bottom up which should help

simplify the capital prioritisation process in the future. This will help to avoid the stop-start Capital Investment Programme which are caused with Treasury Department's objectives.

1005 Education has an annual revenue maintenance budget for smaller repairs, and for larger  
projects it uses its routine capital allocation. Just a few years ago we regularly had allocations of  
£1 million a year for routine capital. Not any more. Even with this allocation the backlog of larger  
works was always some £2 million to £3 million in excess of our £1 million allocation. The  
1010 Grammar School is an example of where a sinking fund would have been ideal. The roof is now  
coming to the end of its life and we are having to spend some £300,000 a year to replace it in  
phases. We are looking at spending this £300,000 a year probably for up to 10 years' time. The  
total cost is thought to be over £2 million. When you consider our total routine capital budget for  
this year is £800,000 it does not leave very much to maintain the rest of our Estate – and it does  
1015 need maintaining. There will always be backlogs and a need to prioritise the most urgent works.  
We have an Estate valued at some £450 million and these are assets that need to be maintained.

This amendment seeks to allow future States to start saving for the inevitable maintenance  
programmes for our key infrastructure assets, and ensure that essential investment does not get  
squeezed by future States and leads to the decline and deterioration of our infrastructure. We are  
1020 living with the consequences of this mistake and we have an opportunity today to protect the  
future assets of St Sampson's High School and Le Murier Schools, to make sure that the funds are  
there to undertake the major refurbishments in the future.

As before, our suggestion is for T&R to keep this sum ring-fenced, earn interest on it, and for  
Education to come to T&R as and when necessary, prove the case and keep the school at an  
1025 acceptable level to prevent it falling into disrepair – and we can avoid making the mistakes of our  
predecessors.

Please vote for this very sensible amendment.  
Thank you.

1030 **The Bailiff:** Deputy Conder, do you formally second the amendment?

**Deputy Conder:** I do, sir, and reserve my right to speak.

**The Bailiff:** Deputy St Pier, do you wish to speak at this stage?

1035 **Deputy St Pier:** No, sir. I only wish to make one point of correction at this point, which was  
that last year's amendment did not create the sinking fund, it maintained it.

**The Bailiff:** Does anyone wish to speak on the – Deputy Gollop.

1040 **Deputy Gollop:** A very quick point. The amendment was mentioned to the St Peter Port  
Douzaine on Monday and certainly one of the Constables, with educational experience, was  
supportive of the principle – the idea having been established elsewhere, I believe, with the La  
Mare de Carteret School. I see no reason why we should oppose it.

1045 **The Bailiff:** Deputy Brouard.

**Deputy Brouard:** Sir, I understand the sentiment of what Education are trying to do here, and I  
1050 think that one of the difficulties we are facing in this Assembly is because of the strength that we  
are giving to T&R to contain costs, where all funds are now held centrally. Departments are trying  
to carve out their own budgets for their maintenance because they are worried that it will not  
come from the central pot. I think that is the difficulty we have here so I will probably be voting  
for it, because the criticism of the States in the past is we have had these buildings at very  
expensive costs to build. The ones that have been built in the 1960s and 1970s have not lasted as  
long as the ones built in the 1800s and therefore we really do need to do the maintenance.

1055 But I think T&R need to recognise that the maintenance costs have to be allowed for, and I do not want to see a proliferation of every Department making a bigger... But T&R cannot have it both ways, they cannot say you are not getting any money for maintenance and then say you have to prioritise it.

1060 So I will be voting for this, but I think there needs to be a better mechanism for Departments to be able to unlock maintenance of buildings that we have got in our possession.

**The Bailiff:** Deputy Luxon, Deputy Gillson and Deputy Conder.

1065 **Deputy Luxon:** Mr Bailiff, I cannot support the amendment, but completely agree with Deputy Sillars that we must invest in our infrastructure assets and we must not let them decay or deteriorate over time.

1070 But, sir, if we are going to ring-fence this particular amount then frankly every Department should come forward with every one of their infrastructure assets and also ask for that to be ring-fenced, which pretty much undermines the point of this. I do understand the innovative attempt that the Education Minister has made with this proposal, but really it completely and utterly turns upside down the whole process that we have, which allows all Departments to access the funding as they need it.

Thank you, sir.

1075 **The Bailiff:** Deputy Gillson.

**Deputy Gillson:** Sir, I will be brief; I have just got five questions for Deputy Sillars.

The first one is: will you expect this sort of ring-fenced fund for the College of FE project? Similar, are you expecting a similar fund for La Mare? (**Deputy Sillars:** Yes.)

1080 Do you think such funds should be created for all new States' buildings? (**Deputy Sillars:** Yes.)

If it is needed on new buildings why do you think it is not appropriate for existing buildings? I am assuming you do not, because you have not brought an amendment suggesting that.

1085 The fifth one: given that maintenance is low when a building is new, this means that there will be monies – initially at least – sitting in these funds unused. Do you think that is the best use of taxpayer's money?

**The Bailiff:** Deputy Conder.

**Deputy Conder:** Thank you, sir.

1090 Sir, could I draw the States Members' attention to the explanatory note, and I read out just part of it, this relates to Billet d'État 2005 which says, and I quote:

'A maintenance policy will be prepared for the new estate and will be used by the project team for each development to prepare a planned preventative maintenance schedule.

This will form part of a maintenance plan for each development confirming the type, expected cost, type of expertise required and permitted intervals of maintenance work. The schedule can assist in establishing the required maintenance budget for the life of the building.'

1095 Sir, as my Minister has said, this amendment represents prudent housekeeping. It is good accounting practice. It will facilitate the scheduling of planned maintenance of our expensive and hard-won assets. It involves no net cash outflow, and it follows a precedent already agreed and approved by this Assembly in respect of Les Beaucamps School. (*Interjection*)

1100 Sir, what we are seeking to establish, as the Minister says, is in effect a sinking fund. Sinking funds are used to set aside money for purposes of replacing capital assets as they become obsolete or major maintenance or renewal of elements of fixed assets, typically a building. The distinguishing feature of a sinking fund is the payments into it are calculated to amortize a forecast future expenditure. In other words it is a rainy day fund explicitly to ensure that a

particular part of the States' assets are sustained without recourse to other emergency funding. It should never be touched for day-to-day expenses. It is there so that when major assets have to be replaced our Treasury does not have to raid various reserve funds, thus there are no nasty surprises.

1105 Too often we have seen the dire consequences of failing to provide adequate funding for the maintenance of our buildings. We had a discussion *ad nauseam* last November about a certain school, La Mare, and we have seen the consequences of failure to maintain. Indeed we were discussing one only yesterday in relation to the College of Further Education and its two emergency sites at Delancey and St Peter Port School.

1110 Sir, to quote from a national builder's guide the two golden rules of sinking funds are:

\* No matter how bad your finances are you must have one. You'll regret it down the road if you don't.

\* No matter how good the sinking fund is doing, resist the temptation to spend it on low priority projects. Murphys Law tells you that just after you spend it on new plans or new [opportunities] the roof will blow off and you'll need it.'

Sir, this amendment is simple common sense. It is good accounting practice. We already have very sensibly endorsed such a model for one of our schools. Why would we not do the same for this school? Please support this amendment.

1115 **The Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Sir, this is a very, very small sum of money. This is the sort of money that gets lost at the roundup – *(Interjection)*

That is the gag – have I anything to say? No! *(Laughter)*

1120 I wonder when both Deputy Sillars is given an opportunity to speak again, and the Treasury Minister, whether they agree on the interpretation of a sinking fund, because it would be that definition that may persuade me to vote for this amendment.

Thank you.

1125 **The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Thank you, sir.

1130 Sir, my colleagues know that I ran my own business in the construction industry for almost 30 years. My partners and I worked on several schools over those years. We did not attain a great deal of fulfilment by doing so because we were always told to adopt a sticking-plaster approach, due to the fact that there was very little money available. Although we did adopt that approach for a little while we were never comfortable with it and we eventually walked away.

1135 So I have personal experience of working on States' schools and other properties. The reason the La Mare de Carteret School fell into such a states of disrepair is because of the lack of proper and effective maintenance and the phrase '*penny wise, pound foolish*' springs to mind, sir.

Sir, as Deputy Conder has already alluded to this amendment makes perfect sense. So I urge my colleagues to support it.

Thank you, sir.

1140 **The Bailiff:** I see no-one else rising.  
Deputy St Pier, do you wish to speak on the amendment?

**Deputy St Pier:** Yes, I certainly do, sir.

1145 Deputy Brehaut, definition of sinking fund: I actually think we probably are agreed on the definition of sinking fund. It is a ring-fenced fund which is set aside as Deputy Gillson suggested in his question. The ring-fenced finance set aside for the maintenance of a particular asset.

Sir, the Treasury & Resources Department strongly opposes the amendment placed by Deputies Sillars and Conder which seeks to build up, separately, funds for the future maintenance

1150 of the schools at the Baubigny site. Whilst none of us would argue with the objective of ensuring  
that our assets are maintained appropriately to achieve the best value for money over their  
lifetime, this is of course achieved by having in place properly prepared and costed plans to carry  
out works and maintenance at the appropriate time – *not* through having a sum of money locked  
away in a separate sinking fund.

1155 The States have a policy of funding such expenditure at the appropriate time of course,  
through either routine capital allocations or as a capital reserve project, and there is no reason  
whatsoever to treat the Education Department properties differently to any other States' asset –  
the Hospital, the slaughter house, Beau Séjour, the Court, the Royal Court or anywhere else.

1160 What does this amendment actually mean in practical terms? Members really need to  
understand this before they consider whether they really want to support it. It means that there  
would be £264,000 less next year, and each subsequent year, available to spend on routine capital  
works that are required now.

1165 The Health & Social Services Department has a backlog in its routine replacement programme  
for lower value medical equipment. Treasury & Resources has sought to help address that  
through additional specific allocations. There is also a backlog in routine property maintenance  
which has started to be addressed in recent years through the provision of specific funding. Works  
undertaken under that programme include roofing works at the continuing care wards at the PEH  
site and replacement of the Grammar School boiler and heating system – but there remain  
substantial amounts of work to do.

1170 Tens of millions of pounds of work still to be done including a number of school roofs, boilers  
and heating systems, roadside walls and rock faces, buildings with damp and insulation issues.  
The purpose of the Budget Reserve is to have funding available for one-off unexpected projects  
that cannot be anticipated – also in the event that Departments are able to accelerate delivery of  
their routine capital programmes.

1175 As agreed by the States, amounts remaining unspent in the portion of the Budget Reserve  
allocated for routine capital is to be used to increase the funding available for our backlog  
maintenance. So what effectively we will be doing is sterilising scarce budget in a dedicated  
property sinking fund; and it is a luxury we simply cannot afford at this time when a more  
corporate approach is needed. The £264,000 sought by the Education Department each and every  
year, will directly reduce the amount available to spend on all other departmental capital  
requirements.

1180 Now this, sir, is the most opportunistic amendment before you today. It is driven entirely on  
the back of Education's successful amendment last year to maintain funding to the Beaucamps  
School sinking fund. Now the establishment of that sinking fund was effectively slipped in through  
the States' Report approving the rebuild of Beaucamps without anybody, including the previous  
Treasury & Resources Board, really noticing.

1185 Sir, we tried to rectify that –

**Deputy Fallaize:** Sir, on a point of correction, that is just nonsense. It was proposed by the  
Treasury & Resources Department to the Education Department as the appropriate way of  
providing for future maintenance of that school.

**Deputy St Pier:** I stand corrected, but it was an error by the previous Treasury & Resources  
(*Laughter*) either way –

1195 **Deputy Fallaize** Not the only one. (*Laughter*)

**Deputy St Pier:** Well, I cannot disagree with that. (*Laughter*)

1200 We tried to rectify the position in last year's Budget, but Members rejected our proposals and I  
said at that time that accepting that amendment would lead to others – and that of course is  
exactly what has happened

I do understand and respect the desire by the States to honour a commitment to establish and maintain a fund for Beaucamps, even if it was originally recommended by Treasury & Resources, but that is a world away from starting a completely new fund for the Baubigny schools. The Beaucamps High School is an exception, it should not become the rule.

1205 Where will it end? If we do it for this asset why on earth would we not do it for every other school on the Island? And in fact why stop there? We should do it for every building of every Department right across the Island. (*Interjections*)

1210 Well in an ideal world I agree ... in this fairy tale world with limitless money, that might be the most prudent approach to ensure that funds are always available whenever we need them for any building at any time. But we do not live in that ideal world and we do not have a limitless pot of money, in case anybody has not noticed.

1215 We have a policy of funding maintenance through revenue expenditure and minor capital repairs and renewal through routine capital, and major capital projects through the States' Capital Investment Process. And here we are bypassing all of that. This is absolutely the worst of the old silo Department thinking that we are supposed to have left behind. We have got to remember that every pound that is put aside in this fund is one less pound that will be available for priority routine capital elsewhere in the States. We cannot spend the same pound twice.

Please, please reject this amendment.

1220 **The Bailiff:** Deputy Sillars will reply to the debate.

**Deputy Sillars:** Thank you, sir.

1225 I would like to thank those who spoke in favour, that is Deputy Gollop, Deputy Brouard... Deputy Luxon, yes your suggestion is actually correct, I would agree with you – all new buildings should be maintained.

Deputy Gillson, I have written something... yes, yes, to your five questions. Somebody has written them down and I cannot find that piece of paper that is legible. (**Deputy Gillson:** That's it) Is that it? (*Interjections*) Sorry I still cannot read it.

Will you expect such a –

1230

**Deputy Gillson:** Fund for College of FE and La Mare.

**Deputy Sillars:** Yes and yes, so I was right.

1235 Should all new buildings have such funds? Well, actually, yes they should. Really those schools that we have done... Baubigny, for example, we are talking about and La Mare – sorry, La Mare *will* have – and Beaucamps, we have as part of the SCIP process we actually projected... Because these schools in our case are being projected for a 60-year life, we know there will need to be capital replacements over 60 years. So a roof may need to be repaired at 30 years. We know that boilers need to be repaired at... I don't know 20 years, 10 years, 15 years. We have actually got a cycle which the technical people, professionals, have written forward.

1240 So part of our process was yes, a school will cost x amount of money but the ongoing maintenance, which is the replacement of windows and things like that – and boilers and roofs – will be 'this' over a 15-year period, and things like that.

1245 So with the Baubigny Schools we are talking about a 15-year... we are not talking about having the money and sucking it out whenever it is we need it. The amendment makes it very clear it comes out of the Capital Budget and as I say that has been approved, as far as the capital bid was at the beginning, because it is a 60-year project we are looking at.

1250 So that money is staying with T&R, we have got to go with our begging bowl to ask them for that money and explain why we want that money. The money is left with T&R to earn interest to be invested and everything else, because we know we probably do not want it for another 5, 10, 15, 20, 30 years. We are not having it *now*. Every building – and this is answering part of your questions too... We should carry on with all new buildings, we should understand what the

maintenance costs going forward are, we should know what the capital costs of replacement are as part of the overall package.

1255 'Since monies will sit unused in these funds...'

**Deputy Gillson:** This one is about whether funds should be created for existing buildings.

1260 **Deputy Sillars:** Well, that is a jolly good question, thank you for that one.

**A Member:** Thank you. I quite appreciate that! *(Laughter)*

1265 **Deputy Sillars:** Yes, I appreciate that, because I think I have just gone through exactly the problem we have got with the Grammar School for example. We put in a capital bid, we had it turned down, we wanted the roof, it needs a new boiler and all these sort of things – and it came to a large sum of money. That school is really quite an old school – it is well built but it still needs to be updated and upgraded. And if we had had that fund for that – and we had some for the Hospital, and we had other buildings as well – we would not be in this position now.

1270 It is not 'stealing' money from any other Department – and I use that word, we are not pinching money from any other Department. It has already been allocated to... and it is a far lesser amount than coming in with a huge £15 million 'Can we upgrade...' whatever the school is, when it is £200,000 or £300,000 over a planned programme. Yes, I think it is the best use of money.

1275 Sinking fund, yes I do agree with the Treasury Minister, that is what a sinking fund is. And we are recommending it to be ring-fenced, it can have the interest paid on it and we still have to go to T&R asking for that money. We are not asking for it to be sat in our budget so we can spend it as we wish.

1280 I think I have probably answered a lot of Deputy St Pier's issues. It is all part of the SCIP process, the demands of the process for costing and maintenance. It is the capital expenditure budget it is coming out of. It is driven by common sense – I cannot remember the exact words you used – but from our point of view it is common sense, and protects our new buildings. We have £450 million worth of assets just in Education, we need to protect and look after going forward. And it is a great way to start as we have suggested.

1285 We have had the experience with schools and buildings not properly maintained: La Mare De Carteret, Delancey, there is Les Ozouets... there is a list of them that have not been done properly. So what we want to do is protect our new buildings going forward. We are not bypassing any system, and this is for long term.

I would urge you all to support our very sensible and very reasonable amendment. Thank you.

1290 **A Deputy:** Recorded vote, please, sir.

**The Bailiff:** We have a recorded vote on the amendment proposed by Deputy Sillars, seconded by Deputy Conder.

*There was a recorded vote.*

1295 **The Bailiff:** While those votes are formerly counted, we could move on with the next amendment to be proposed by Deputy Bebb, seconded by Deputy Harwood.  
Deputy Bebb.

*Amendment 11*

*In proposition 17, to insert at the end of the words ', but with the addition of £66,000 to the revenue cash limit of the Treasury and Resources Department to enable a reduction of fees at the Foulon Cemetery as follows:*

*the cost of new grave plot to be £1,000,*

*the burial fee general to be £500,  
such an addition to be funded by a reduction in the budget reserve'.*

**Deputy Bebb:** Thank you, Monsieur Le Bailli.

The amendment, as Members will see, although it talks about raising the revenue for the cash limits for the Treasury & Resources Department, the intention is as explained to reduce the costs at the Foulon Cemetery.

1300 Currently, I think that we would actually benefit from understanding how we got to the position of charging as much as we currently charge for the Foulon. There used to be an arrangement with the Parish of St Peter Port and with the previous – I think it was Board of Admin – that they would undertake to pay a large sum of the running costs of the Board of Admin. In exchange, St Peter Port residents would enjoy a lower rate for funerals at the Foulon Cemetery.

1305 Over time that cost became what the Constable described on Monday as intolerable. I believe that the figure that she quoted on Monday evening was in the region of £300,000 for what turned out to be little benefit for the Parish of St Peter Port; and therefore the fund was withdrawn. Following that decision the then Treasury & Resources Minister, the former Deputy Parkinson, decided that he needed to raise the cost of using the Foulon, so that the Foulon covered its own costs.

1310 In 2010 those costs were raised substantially and they were not a particularly popular movement. But, from the circulation that I made earlier this week of the full costs of the Foulon, Members will note quite clearly that the fees were raised in a particular manner to discourage burials and encourage cremations, which is completely disproportionate to the actual costs of running the cemetery. Of all the costs that we currently have at the Foulon the burial fee general of £1,962 is probably the most egregious cost there is.

1315 It is folly for us not to use proper land management and encourage the same plot to be used by members of the same family as they usually are. Of that £1,962 which we charge for Foulon the actual cost to the Foulon of grave-digging is £185. I do not understand how we could be making a tenfold profit on the basis of bereavement for poor land management.

1320 The cost of a new grave plot of £2,300 is also exceptionally high. Similar costs for instance in Jersey to their States-run cemetery total £1,200 for a new grave and the burial. If we were to look at other cemeteries in Guernsey the second most expensive cemetery is the Castel, and the cost for both the plot and the burial at the Castel runs to £600.

1325 The effect of the current burial charges at the Foulon is what eventually moved the Social Security Department earlier this term to bring in a cap on the funeral costs that they would pay to those on supplementary benefit. I believe that that cap currently stands at £2,750. It is unfortunate that when I was discussing this amendment with a number of undertakers the cheapest funeral that I could find – and excluding the cost of burial or cremation – was £2,800. That instantly leaves those in our society which are the poorest £50 short; and if their desire as a St Peter Port resident is to be buried, the family needs to find over £4,000 extra. It is completely unconscionable in my opinion that we charge these fees.

1330 The greatest cost, as we heard from Deputy Kuttelwascher in a previous debate, is in relation to the crematorium. That crematorium is reaching the end of its life. It is in dire need of being replaced and there is a capital project in place to replace it – that is where the costs are. Therefore I am unsure how we can justify a burial fee general of £1,962 whilst the cost of the cremation stands at £552.

1340 Another effect of the current charges at the Foulon is that residents of St Peter Port frequently approach other parishes to be buried in those parishes, and this has led to a recent change in policy in certain parishes of charging in the region of £1,000 extra for out of parish burials. But rather than just finishing there, we also have a new problem that certain parishes have now decided that they also need to demonstrate some familial link with that new parish. So not only are they charging £1,000 extra if you do not live in the parish, you also need to prove some



1345 familial link – because we are pushing the whole issue of burial away from the Foulon and causing a problem for the parishes.

There is a question to be asked in relation to the £66,000. I wish that I could say that it was lost in the rounding, but I do not think that it is and I do not think that that is a credible approach towards it. However, I believe that the £66,000 is not necessarily so.

1350 It is perfectly reasonable for Treasury & Resources to revisit the fees and indeed to increase the fees in certain other areas. The use of chapel fee at £135 is particularly cheap – it is not reflective of the costs and could well be increased. But if we really want to look at the question in relation to the land management, this is where I would say that the greatest problem we have is putting the running of the Foulon into the Treasury & Resources Department. Not surprisingly they have other matters to deal with which are of greater import.

1355 What has happened is that a holistic view of how we might change the practice at the Foulon has been lost, because the focus has been elsewhere. Everywhere else that I can think of – especially in France and in the UK – burial in perpetuity, which is what we have here in Guernsey, has simply gone. I do not believe that it happened in France at all, it did happen in the UK for a while, but the practice is gone.

1360 I have been approached by certain members of the Douzaine Castel requesting that such a law be visited. Rather than burial in perpetuity a burial plot is given as a leasehold for 50 years generally in the UK, sometimes for 100 years. At the end of that leasehold the option is given to the family whether to renew the plot and therefore in turn would actually generate income for the cemetery, or whether they give the lease up – and that way the plot is exhumed, the bones are  
1365 put into a communal grave and then the tombstone is usually put against the wall of the cemetery, so that there is that historic record. *(Interjection)*

I believe that such an approach is long overdue; and not just for the Foulon, but also for all the other cemeteries of the Island. If we are to be serious about land management we need to have that approach.

1370 But such an option is not before us today. I am simply stating that the costs as they currently stand are unconscionable. I have been approached by a number of people since this amendment was made public, with tales and very harrowing stories of family circumstances where they were put into real financial difficulty and had to ask for substantial financial assistance from other members of their family just to bury a husband or wife. If it is somebody's desire and wish to be  
1375 buried surely we should grant that wish without seeking to profit from it, which I what I feel the current fees do.

Therefore, Members, I ask you sincerely in all conscience to support this amendment.  
Thank you.

1380 **The Bailiff:** Deputy Harwood, do you formally second it?

**Deputy Harwood:** I do, sir, and I reserve my right to speak.

*Amendment 10:*

*Not carried – Pour 12, Contre 32, Ne vote pas 0, Absent 2*

**POUR**

Deputy Gollop  
Deputy Sherbourne  
Deputy Conder  
Deputy Lester Queripel  
Deputy Laurie Queripel  
Deputy Green  
Deputy Brouard  
Deputy Sillars  
Deputy O'Hara  
Deputy Hadley  
Alderney Rep. Jean

**CONTRE**

Deputy Le Clerc  
Deputy Bebb  
Deputy St Pier  
Deputy Stewart  
Deputy Gillson  
Deputy Le Pelley  
Deputy Ogier  
Deputy Trott  
Deputy Fallaize  
Deputy Lowe  
Deputy Le Lièvre

**NE VOTE PAS**

None

**ABSENT**

Deputy David Jones  
Deputy Wilkie

Alderney Rep. McKinley    Deputy Spruce  
Deputy Collins  
Deputy Duquemin  
Deputy Dorey  
Deputy Paint  
Deputy Le Tocq  
Deputy James  
Deputy Adam  
Deputy Perrot  
Deputy De Lisle  
Deputy Burford  
Deputy Inglis  
Deputy Soulsby  
Deputy Luxon  
Deputy Quin  
Deputy Harwood  
Deputy Kuttelwascher  
Deputy Brehaut  
Deputy Domaille  
Deputy Langlois  
Deputy Robert Jones

1385    **The Bailiff:** Before I call any speakers, I can just announce the result of the voting on the amendment proposed by Deputy Sillars, seconded by Deputy Conder. There were 12 in favour, and 32 against. I declare that amendment formally lost.  
Deputy St Pier do you wish to speak at this point on this...

**Deputy St Pier:** Sir, I would actually like to move a motion under 13.(6)(a).

1390    **The Bailiff:** That you say that the amendment goes further than the original Propositions?

1395    **Deputy Bebb:** If I may, the amendment was as discussed with the Treasury & Resources Department that it simply increases the cash limits to the Treasury & Resources, therefore it does not go...

**The Bailiff:** HM Procureur, do you have a view on this as to whether it goes beyond the Propositions in the Budget.

1400    **The Procureur:** Where is it going to be funded from? Yes, it would reduce the Budget Reserve by £66,000 – well, that is as normal provided it is recorded in accordance with Rule 15.

Why do you say it goes further than the Propositions, any more than any other amendment that we have discussed? (*Laughter and interjections*) I do not believe it does.

1405    **The Bailiff:** You do not believe it does? I agree with you.  
I think if we say this one goes beyond the original Propositions, then there are many other amendments that people wish to move on a Budget...

**Deputy St Pier:** Sir, it sets fees which are not in the Budget, that is why surely.

1410    **Deputy Bebb:** If I may, the amendment moves that the cash limits are amended with recommendation. If the Treasury & Resources were *not* to follow that recommendation then that is for them to decide, though I am sure that they would face some opprobrium if they were to.

1415    **The Bailiff:** It is moving £66,000 from the Budget Reserve to the revenue cash limit to enable a reduction of fees. It is not I suppose... yes, it is not saying that the fees shall be reduced to that. So I do not think you can move the Proposition under Rule 13.(6).

But do you wish to speak, nonetheless, at this point or do you wish to speak later?

**Deputy St Pier:** Not at this point, sir.

1420

**The Bailiff:** Not at this point.

Deputy Laurie Queripel, Deputy Brouard.

**Deputy Laurie Queripel:** Thank you, sir.

1425

I just rise with a couple of queries and questions for Deputy Bebb.

He mentions in his speech – I missed the figure, I apologise – the Burial Grant from Social Security Department. I did not hear what that figure was. That is the first thing.

Is that in addition to the... if you look on page 2794 of SSD's report in Volume XVIII of the Billet there is mention of a Death Grant of £587 and a Bereavement Payment of £1,856, which totals in my maths £2,433. Now, is that Bereavement Payment and that Death Grant in addition to the

1430

Burial Grant? I just would like those points clarified, sir.

Thank you.

**The Bailiff:** Deputy Brouard.

1435

**Deputy Brouard:** Thank you, sir.

This particular issue caused quite a public outcry in 2008 and 2009 and the funeral directors, in particular, were very concerned about the sudden increase in fees, especially where they had plans with people for their burial, where they had been paying throughout their life – and then suddenly the fee that the funeral director was going to face was higher than perhaps what they had collected beforehand.

1440

Now, I do have quite a bit of sympathy for what Deputy Bebb is saying, but I think he is looking to the wrong place for his solace in this. The Foulon Cemetery... I have got a letter here from Treasury & Resources addressed to me in 2009, and one of the issues they have got there is that they were saying then in 2009 that they estimated about 10 years' worth of burial facilities left at the Foulon, which means about three years left now. Of course it may be slightly longer because of the higher fees, more people may well be cremated rather than using up the plots. But one of the issues... and I think Deputy Bebb mentioned they are having difficulty using some of the existing sites because of the cost – one of the other problems with that particular site is that Treasury advised me it is restricted by a large area of granite there.

1445

1450

It is really for the Parish of St Peter Port, I believe, to be making provision for their parishioners. You almost need to separate out of the Foulon the Island-wide facility of the crematorium as one item, which I agree taxpayers from across the Island should be funding for everyone, because you need to have one central place. The difficulty I have is that St Peter Port decided – I think it was back in September 2005 – they withdrew their support for the Foulon Cemetery. So that money which St Peter Port ratepayers were paying through their Constables to facilitate the Foulon Cemetery has been used elsewhere. It may well be that the St Peter Port residents need to be looking at what happened to those funds, and whether those funds will be needed shortly in three or four years' time for a new cemetery to replace the Foulon anywhere.

1455

All the other parishes of the Island, I believe, make their own provision for their parishioners at greater or lesser expense. I was involved with St Peter's and we used some of the money that we had from the sale of the old school and we used that to buy a field next to our cemetery and again used that. I believe the Castel were more recently looking for a cemetery, a lot of work went in and a lot of difficulty finding places, but it is no different a problem than St Peter Port have got. So if St Peter Port have the problem then I think it is something that St Peter Port, through their parish, needs to be looking at resolving.

1460

1465

The parish, as intimated in the letter from T&R, were looking at giving some grants towards their residents and I am sure that is one way that Deputy Bebb could solve the problem, because

1470 if it is St Peter Port parishioners that are being buried at the Foulon there is nothing to stop the  
Douzaine giving a grant towards them, as they would have if they had used the money to provide  
another cemetery or give some funding to T&R.

I just want to quote from the letter from T&R which basically mentions the position of St Peter  
Port Constables:

'Prior to the increase coming in to force members of T&R met with the senior Constables of St Peter Port to discuss  
the proposed increase in charges. Deputy Jenny Tasker was, of course, fully aware of the history of the Foulon, and the  
considerable costs of keeping the facility operating. Deputy Tasker supported the increase in charges, and made it  
clear that the parish would not be making a contribution. Deputy Tasker also felt the Foulon should not continue to be  
run at a loss.'

1475 As I mentioned earlier, I do think there are two items that need to be separated out: one is the  
crematorium for all the Island, and another matter for the Parish of St Peter Port to consider is the  
facilities they make available to their parishioners for burial.

1480 So, reluctantly, although I do understand what Deputy Bebb is trying to do, I think he is  
addressing the wrong organisation. I think it should be through the St Peter Port Constables  
looking at ways of how they provide burial facilities today, tomorrow and in the years to come for  
their parishioners. So it is with regret that I will not be supporting it, though I thoroughly  
commend him for bringing it to our attention.

**The Bailiff:** Deputy Domaille.

1485 **Deputy Domaille:** Thank you, sir.

I was not actually going to speak, but just building on Deputy Brouard's comments.

I think really what it called for here – and it really is a request to Treasury & Resources to  
perhaps pass on to its successors – is that the whole question of Foulon Cemetery and the  
crematorium, and Island burials, really is a stand-alone issue that needs to be looked at.

1490 The history of Foulon Cemetery is potted – it did have severe drainage problems, for instance.  
We know the cremator is in need of considerable expense and I think there needs to be some sort  
of States' discussion on where it is we are actually going – what is the States' role with regard to  
having an Island burial ground? Because actually it is not just people from St Peter Port that are  
buried at Foulon. I think that needs to be brought on board.

1495 I think many of the points Deputy Brouard has raised about parish contribution and so on, is all  
very valid. I think we have to look at the terms of the Island being used up by graveyards – (**A  
Member:** Hear, hear.) and whether or not actually this is a policy of the States, to encourage  
cremation.

1500 I think all of that needs to be really brought together in one package. I have a lot of sympathy  
with the amendment, but I have to say that I think we need to be taking a much more holistic,  
bigger view on this, because there are some big questions sitting behind.

Thank you, sir.

**The Bailiff:** Deputy Harwood.

1505 **Deputy Harwood:** Thank you, sir.

In response to Deputy Bebb's suggestion that we should be looking again at the use of shared  
graves and shared burial facilities, I think it is a valid one. It is not part of this amendment but I am  
put in mind... like Deputy Perrot, I also attended a performance of Hamlet last night, and the sight  
1510 of the gravedigger removing bones in order to make room for yet another burial resonated.

Sir, this matter was brought to my attention before Deputy Bebb approached me to second  
this, when I received a phone call from the Chair of one of the Northern Parishes Parochial  
Cemetery Committee, who wanted to make sure that I was aware that he had been approached  
by one of the funeral directors in the Island, who had a situation of a member of St Peter Port

1515 Parish... a family who had lost a young child and they could not afford the exorbitant charges, as set out in this paper, to bury their own child within the parish boundaries.

That is the first time I was aware of that extreme situation, for a family to have to find £4,000 in order to bury a child within an approximate distance of their own home. I think, sir, it really resonated, and it caused me to start questioning. I am very grateful for Deputy Bebb who at the same time was also investigating – and I know he has done for a number of years – the issue of the burial costs for Foulon.

1520 Sir, I second this amendment. I do not disagree with some of the points of Deputy Brouard that maybe one issue where we need to engage is the parish authority, and this was raised at the Parish Douzaine meeting on Monday, and I think we may have to look for some support from them.

1525 But, sir, fundamentally I think it is a matter for Treasury & Resources to justify the level of charges that they are imposing for cost of new graves and burial fees. Certainly during the time I have been in this Assembly, the Policy Council produced a guide note for guidance on fees and charges that should be applied by Departments when looking at setting fees and charges as part of the FTP for example. I think we need to ask Treasury & Resources to assess their own level of fees and charges in light of that particular guidance, and that guideline, which I think is now in force.

1530 The purpose of my seconding this really was to draw attention to the issue we face: the very high charges that are preventing families from being able to bury a child, a loved one. As Deputy Bebb said, also you have the bizarre situation where you have a family plot but in order to reopen that plot to inter another member of the family you still have to incur a very significant opening charge.

1535 So, sir, I would urge Members of this Assembly to support this particular amendment, if for no other reason... actually we have brought the matter to the attention of the public, the attention of the parish authorities, and I endorse Deputy Brouard's and Deputy Domaille's suggestion that actually the States of Guernsey itself certainly needs to look at this particular policy in relation to the States-owned Foulon Cemetery.

Thank you, sir.

1545 **The Bailiff:** I see no-one else rising to speak. So Deputy St Pier do you wish to speak?

**Deputy St Pier:** Yes, please, sir.

1550 Perhaps I can just deal first of all with Deputy Laurie Queripel's question about the quantum of assistance that is available through the Social Security Department. There is a cap on assistance of £2,750, and if a Death Grant is payable from the Guernsey Insurance Fund because that is an insured benefit, then that is netted off from the cap. So in other words there could be £577 paid by Death Grant and the rest by Supplementary Benefit, but the overall assistance is capped at that level.

1555 Sir, I would suggest this amendment is not strictly a Budget matter and that decisions regarding the cost of burials on the Island and the operations of the Foulon Cemetery really are not matters which should be considered by this Assembly as part of the Budget debate purely based on financial considerations. But, in responding to this amendment, I shall repeat some of the responses that I gave to Deputy Bebb, when he asked a Rule 5 question on this subject back in October 2012.

1560 Of course as is known, the Foulon Cemetery is operated by my Department and that in itself is slightly odd. The financial principles applied are aimed at ensuring that the costs are covered following, as has been said, the cessation in 2005 of the substantial funding contribution towards the upkeep of the cemetery from the St Peter Parish. So St Peter, of course, is now the only parish not to contribute to a cemetery. The fees for the Foulon have helped reduce the level of taxpayer subsidy, but whilst the fee income funds the maintenance of the grounds and facilities it does not cover capital expenditure, which is funded through the normal route.

1570 Deputy Harwood is quite correct, the Department's calculation of fees are designed in accordance with the States' fees and charges policy, and that is fees are set at a rate to cover the costs of the operation and to remove taxpayer subsidy. No justification has really been given as to why taxpayers should subsidise burial costs at this site at this time, but having said all of that I do recognise, as Deputy Harwood and others have said, that the costs of plots and burial at the Foulon are high.

1575 Rather than seeking to tinker by amendment, I will commit to undertaking an internal review of the costs of running the operation with a view to ensuring that these are minimised and that if there is any waste it is eradicated – and confirming that the fees are set at an appropriate level. I would actually welcome Deputy Bebb and Deputy Harwood in that process, because I think they are perhaps the two best placed in this Assembly to help provide appropriate challenge.

1580 Sir, I think this amendment is an attempt to micro-manage and would result in the establishment of another public subsidy at a time when we are seeking to remove them wherever we can, and whenever appropriate. It may only be just another £66,000 to come out of the Budget Reserve in 2016, but of course as we have said before the Budget Reserve is not a bottomless pit; and as I said in response to other amendments, in 2017 and beyond those funds will need to be found from elsewhere.

1585 So, sir, I would encourage Members to vote against the amendment and accept that the Department will undertake a review; and I would hope that Deputies Bebb and Harwood would be willing to be involved in that process, sir.

**The Bailiff:** Deputy Domaille.

1590 **Deputy Domaille:** Sir, I did not want to interrupt the Treasury Minister.

I did make the point, and I think I did ask, that actually this is much more than just fees and charges. And in carrying out this review will that review include looking at the role of Foulon Cemetery and indeed the cremator?

Thank you. (*Interjection*)

1595

**The Bailiff:** Will it look at the role of the Foulon Cemetery and indeed the cremator?

**Deputy St Pier:** I am happy to extend it to that, sir. There was one other... yes, sir, I am happy to confirm that.

1600 The other point just that I forgot to mention was that the reduction in the number of burials since the increase in fees has actually extended the life of the site as well. I cannot say by exactly how many years, but it has been extended as a result of that. So that is another consideration.

**The Bailiff:** Deputy Brouard.

1605

**Deputy Brouard:** Sir, through yourself. Would the Minister also allow the Parish of St Peter Port to be involved, because I think they are very much key in this particular issue.

**Deputy St Pier:** Clearly I think it would be appropriate to have consultations with them.

1610

**The Bailiff:** Deputy Bebb.

**Deputy Bebb:** Thank you, Monsieur Le Bailli.

1615 Firstly of all I would like to point out that the Foulon is not a cemetery for St Peter Port. The Foulon is a cemetery for the Island. It is a cemetery run by the States of Guernsey.

So whilst some people may say that it is a greater issue for St Peter Port, it is still something that we as a States run. Questions should and are being asked of St Peter Port Constables and of

the Douzaine. However, we run a cemetery and a crematorium and it is a question as to whether we run that place properly.

1620 I am little surprised, for instance, in Deputy St Pier's response that he talks about the fact that the fees and charges are appropriate, because if we are charged £185 for the opening up of a grave, why do we then pass on £1,962 as the cost to the person who is actually requesting it. Why do we have a tenfold increase?

1625 It is all very pleasant to say that this is micromanaging, but of course there have been questions asked in the past about whether or not these fees were appropriate. They were not answered and therefore the point is at what point do we say, as a States, that we believe these fees to be unconscionable. I believe that that point has arrived for me and I would sincerely hope that it has arrived for a number of others. When it comes to fees and charges surely whilst we must look at covering the costs, one would therefore expect the cost of the cremations are the ones that are far more expensive than the cost of burial, which is a far cheaper option.

1630 A question that Deputy Brouard raised in relation to separating the cremation and the cemetery is one that is absolutely key. I have to ask why do we currently subsidise cremations at the cost of burials? I do not understand it. I am also disappointed to hear from Deputy Brouard, being on the Commerce & Employment Department, I have been in contact with a number of funeral directors and they have said that the costs that they have incurred are *substantial*.

1635 There are a number of arrangements available whereby people can pay for their funeral in advance, and this is something that is becoming increasingly popular. It is something that people like to participate in because they feel that they do not want to burden their family with the arrangements of their funerals and they pay for them. A number of them paid for them before the 2010 hikes and therefore funeral directors are undertaking and have had to pay excessive amounts of fees. Surely it is wrong, as a States, that we charge local companies that type of fee on things that have already been arranged. The impact was ill-considered in my opinion at the time, and I am asking that it actually gets reversed.

1640 I would also like to point out that the Foulon does not just reside in St Peter Port, part of the Foulon is also in St Andrew's. Therefore I am unsure to say that it is simply a St Peter Port issue, though the effects on St Peter Port residents is evidently slightly greater.

1645 Members, it comes to the simple point: do we believe that these fees are correct? Every other cemetery on this Island is run by the basis that some form of taxation subsidises the costs. If we do not believe that is the right approach then of course it is perfectly acceptable for us as the Government to say that we will not run it on that basis – we will run it in order to cover our costs. But if that is our intention how can we justify profiteering – £1,962 is not covering the cost, the cost is £185. It does not cost two thousand and something pounds for a new plot. We are not covering our costs we are profiteering.

1650 I am asking Members today to stop that practice, and therefore to support this amendment.

1655 Could I ask for a recorded vote, please?

**The Bailiff:** We have a recorded vote on the amendment proposed by Deputy Bebb and seconded by Deputy Harwood.

*There was a recorded vote.*

1660 **The Bailiff:** Well, Members, while those votes are counted, I suggest we move on with the next amendment, numbered 12. To be proposed by Deputy Hadley and seconded by Deputy Sherbourne.

Deputy Hadley.

*Amendment:12*

*To insert a further proposition between Propositions 20 and 21 as follows:*

*'20A. To transfer the sum of £18,500,000 from the Core Investment Reserve to the Capital Reserve on 1st January 2016, notwithstanding Resolution 18 on Billet d'État XXII of 2014.'*

**Deputy Hadley:** Thank you, Mr Bailiff.

1665 I am moving this amendment because I believe that this Assembly should approve a Budget  
which accords as far as possible with the policy approved by this Assembly. The policy is that  
there is an assumed norm for capital expenditure of 3% of GDP. Now, unless this amendment is  
passed capital projects will be at risk – and these are not nice-to-have 'vanity' projects, but urgent  
capital investments where delay will ensure that money is wasted on maintenance until new  
1670 building is carried out.

Page 42 of the Budget Report lists the projects at risk. Just highlighting a few: the Hospital  
buildings are well past their useful life. Three years ago Deputy Dorey took us around the Hospital  
and showed us the decrepit state of the buildings and at that point the Director of Corporate  
Services told us there was concern that one of the wards would not last through the winter. Well it  
1675 has, just, and I think they are putting a tarpaulin over the roof to stop the water getting in. The  
theatres are considered not fit for purpose with poor lighting and equipment. All but one of the  
sets of equipment in radiology are at the top of the risk register, and two or three years ago a  
locum HSSD consultant said it was like working in the third world.

One other issue is, while we delay in replacing the cremator that we were discussing, mercury  
1680 emissions will continue to be discharged into the atmosphere – and occasionally very large  
deceased people will have to be flown to the UK, at great cost, as their coffins will not fit into the  
cremator. Delay in implementing a strategic asset management plan will mean that we waste  
money on our assets lying idle.

Now, if you believe the T&R Minister when he says that failure to put money into the Capital  
1685 Reserve will not delay urgent projects, just remember that this is the same T&R Minister who said  
a second look at La Mare de Carteret build would not delay the rebuilding of the school. Well, we  
now know that it is delayed by at least a year and possibly more.

Members should also remember that capital projects continue to arise out of the blue. If this  
Assembly approves the policy letter on secondary care next month, you are approving yet another  
1690 capital spend of well over £20 million because the board are telling you that they plan to take  
over the consulting rooms of the Medical Specialists Group and most of their staff, and house  
them on the PEH site. So you will be talking about another 20 consulting rooms, office space for  
70 or 80 staff and probably an extra 150 car parking spaces, which itself will almost certainly mean  
a multi-story car park –

1695 **Deputy Luxon:** Point of correction please, sir. The policy letter does not recommend that to  
States' Members at all.

**Deputy Hadley:** Well I am sorry, Mr Bailiff, but it does. I suggest people read the policy letter.

1700 Now, not putting money in the Capital Reserve must mean delay in carrying out important  
capital projects. If it does not, then my amendment makes no difference because we are only  
talking about moving £18½ million from one sheet of paper to another. It will sit there and earn  
just as much interest. What it does do is give a future Assembly the opportunity to carry out  
urgent capital projects and it also accords with our policy of spending 3% of GDP on capital  
1705 projects

**The Bailiff:** Deputy Sherbourne do you formally second the amendment?

**Deputy Sherbourne:** I do, sir, and reserve the right...

1710



**The Bailiff:** Thank you.

*Amendment 11:*

*Not carried – Pour 13, Contre 31, Ne vote pas 0, Absent 2*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>ABSENT</b>
Deputy Gollop	Deputy Le Clerc	None	Deputy David Jones
Deputy Sherbourne	Deputy Conder		Deputy Wilkie
Deputy Bebb	Deputy St Pier		
Deputy Lester Queripel	Deputy Stewart		
Deputy Fallaize	Deputy Gillson		
Deputy Laurie Queripel	Deputy Le Pelley		
Deputy Collins	Deputy Ogier		
Deputy Green	Deputy Trott		
Deputy Dorey	Deputy Lowe		
Deputy Burford	Deputy Le Lièvre		
Deputy Harwood	Deputy Spruce		
Deputy Brehaut	Deputy Duquemin		
Deputy Robert Jones	Deputy Paint		
	Deputy Le Tocq		
	Deputy James		
	Deputy Adam		
	Deputy Perrot		
	Deputy Brouard		
	Deputy De Lisle		
	Deputy Inglis		
	Deputy Soulsby		
	Deputy Sillars		
	Deputy Luxon		
	Deputy O'Hara		
	Deputy Quin		
	Deputy Hadley		
	Alderney Rep. Jean		
	Alderney Rep. McKinley		
	Deputy Kuttelwascher		
	Deputy Domaille		
	Deputy Langlois		

**The Bailiff:** Before I call any speakers on that amendment, I can announce the result of the voting on Amendment 11. The amendment proposed by Deputy Bebb, seconded by Deputy Harwood: 13 in favour, 31 against means that the amendment was not carried – it was lost.

1715 **Deputy St Pier,** do you wish to speak at this point?

**Deputy St Pier:** Not at this point.

**The Bailiff:** No. Does anyone wish to speak on the current amendment. No?

1720 **Deputy Fallaize.**

**Deputy Fallaize:** Can I just ask a question, sir? I do not want to speak at this stage, I just want to ask Deputy Hadley a question.

1725 **The Bailiff:** Well that is normally a speech.

**Deputy Fallaize:** Is it? Okay, if somebody were to say in their speech what the balance is on the Core Investment Reserve I think it would help the debate.

1730 **The Bailiff:** Deputy Sherbourne.

**Deputy Sherbourne:** I thought somebody might say something.

1735 Right, I would like to refer the Assembly to the Annual Independent Fiscal Policy Review that many of us attended its launch recently at Beau Séjour. Our erstwhile economist, Professor Geoffrey Wood, introduced his report, supported by Dr McLaughlin, and I would like to refer you to pages 8 and 9, Medium to Long Term Economic Prospects – apparently our GDP per capita is around £37,000 per year.

'... 35% higher than GDP per capita in the UK and places Guernsey amongst the most productive societies in the world. There are several reasons for this: Guernsey specialises in very high value added industries with high median earnings; workforce participation is very high and unemployment is very low; and the nature of labour migration patterns in the islands means that when the demand for labour contracts or expands, so, to a limited extent, does the population. When one takes account of Guernsey's high housing costs, living standards may not be quite so high, but nonetheless Guernsey is one of the most prosperous societies in the world.'

1740 Now, let's use that as a touchstone for what we do with the income that actually comes in through revenue and, through various manipulations, finds its way into the Capital Reserve. We had a succession of fiscal difficulties which resulted in certainly maintaining our finance industry introducing Zero-10. I believe that actually the income lost during that period until now has actually been recovered, and we are now back to those earning levels from revenue. If that is incorrect I am sure that the Treasury Minister will correct that.

1745 What I suggest is that in the meantime the accumulated loss of revenue is absolutely astronomical. We might have made up now but the tremendous loss of revenue during that time... which is *not*, because of the mechanisms we use, to fund our capital investment has got us where we are today. In other words quite a few projects that need to be completed, that need to be advanced. This Assembly will be remembered, I am sure, for one that is good on promises, good on good social policy actually, but in terms of implementation and building it falls well short.

1750 At a recent IOD conference – sorry, debate – a local construction industry member from that debate illustrated the difference between Guernsey's approach to its use of capital and our sister Islands. And he illustrated by saying that in Jersey – and I know Jersey have their own particular financial issues – the construction industry is now double what it was a few years ago, *double*. Ours is a half of what it was – it has contracted.

**Deputy St Pier:** Sir, point of correction, that statement was made in relation to that particular individuals' business not in relation to the whole sector.

1760 **Deputy Sherbourne:** Thank you, then I obviously misread that. I apologise. I am sure that the investment that Jersey is making in its infrastructure and its use of money it is borrowing will bear fruit in the long term.

1765 Now, we have had that option. This Assembly is loath to borrow. Reference the debate that we had recently with regard to the Bond. I think we are at a crossroads, a crossroads where we have to decide whether or not we are going to restrict services, cut back on services, or maintain them. We have to decide which direction we are actually going, because as far as I can see from this fiscal report we are being led down a route of continued fiscal restraint – that is good.

1770 Cautious use of the Bond – I think that was the other term that was used by Professor Wood. And yet he reports in here that there are certain things that we really do need to address. We need to address the growth of the economy. I know that our erstwhile Commerce & Employment Minister is doing his best to increase our performance of our economy.

1775 He also mentioned investment in education and made an aside, rather – what I considered to be a rather snide comment – with regard to 'investment in education did not mean necessarily shiny buildings'. Those of you who were present realise that I did challenge him on that. (*Interjection*) He was not happy with that... in fact when we talk about investment in education we mean the actual investment in the quality of teaching and learning in our schools. That is something that over the last three years we have been quite successful at. But nowhere in this

report – and maybe it is not his brief, I don't know – are there are any suggestions where in fact we could find that investment from. We need it now, there is no doubt about it; we need to invest, not just in education, but in our economy. We need to spend for the future.

1780

Successive reports that have come before this Assembly have referred to the 'spend to save' mentality, and yet I see no evidence that that has actually happened in the last three years. HSSD's own 2020 Vision actually very much focuses on spend to save – and yet we are not doing it. We are struggling keeping pace with the services that we have already got.

1785

I think we are in a position where the use of our funds, wherever they are, should be used for that investment. I know it breaks the Rules of the Assembly at the moment, that would have to be addressed; but I think that this is just the sort of mechanism that we need. Transfer in money from one pot to another. If in the long term that is going to get us a better return as investment in our people and in our infrastructure, then I commend that move.

1790

It will sit heavily on a lot of people here who are totally against any sort of funding that is directed towards capital projects which does not have a revenue stream. I actually thought that was a very restrictive amendment, which has held us back over the last few years. There is money available – it is how we use it. The old rainy day fund that I remember from some years back, was for the use of the States at times where we were having difficulty financially. That has been with us now for quite a few years.

1795

I must applaud T&R for the way that it has stuck to its guns with regard to the FTP process. The Departments actually took a lot of that on board at a late stage, three years down the line. But what it has done actually is to create I believe, a mindset amongst the Assembly of... well it is almost like a sort of a meanness. We do not want to spend more money.

1800

It is very easy to be labelled as 'a tax and spend Deputy'. I am not a tax and spend... but I do believe that we have to – I used the term yesterday – get real, and use our money wisely. This amendment I think, actually provides you with an opportunity to maybe rethink how we fund our capital projects in the future.

So, I do ask you to take a brave step and support this amendment.

1805

Thank you.

**The Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Could I just ask, through you, when we return from lunch that we get a feel for what is the value of the Core Reserve, so we know what this request is in proportion to the reserve as a whole?

1810

Thank you.

**The Bailiff:** Deputy Fallaize already asked that, and I warned him by asking that that he was making a speech, so I think you have now made a speech as well Deputy Brehaut. *(Interjections and laughter)*

1815

**A Member:** Rules are rules, sir. *(Laughter)*

1820

**Deputy Fallaize:** Have you ruled that I have already spoken in this debate?

**The Bailiff:** Yes. I warned you that if you asked a question it would be a speech. We resume at 2.30 p.m.

*The Assembly adjourned at 12.34 p.m.  
and resumed its sitting at 2.30 p.m.*

**Annual Budget of the States for 2016 –  
Debate continued**

1825 **The Bailiff:** Well, Members, we continue with the amendment proposed by Deputy Hadley and  
seconded by Deputy Sherbourne.  
Does anyone else... Deputy Kuttelwascher and then Deputy Adam.

**Deputy Kuttelwascher:** Thank you, sir.  
Just one observation on Deputy Sherbourne's speech, he did say that this Assembly is loath to  
1830 borrow. I do not think that is quite correct. They are loath to borrow to fund revenue expenditure,  
and there is a big difference between that and borrowing to fund capital projects with an income  
stream. It is just a point.

The other issue I have is, what is being proposed here is something which is most unwelcome.  
Last year the Treasury & Resources Department were praised for trying to at least present a  
1835 balanced budget. What is being proposed here is to unbalance it to the tune of £18½ million,  
which of course, could be rounded up or down but it would not make a lot of difference.  
(*Laughter*) It is purely for that reason that I oppose it, and also it is completely unnecessary. There  
is no need to do that at this stage. There is enough money in the pot at the moment to fund what  
we are progressing. So, there is no point to this amendment at this time.  
1840 Thank you, sir.

**The Bailiff:** Deputy Adam.

**Deputy Adam:** Thank you, sir.  
1845 I will try and avoid saying some of the things to the last Deputy. But the core investment  
reserve is exactly that, it is not to be dipped in to take money out of, it is there as a core or a  
backbone in need, when we have to use it. Likewise a bond... someone, I think Deputy  
Sherbourne, mentioned the Bond and why don't we use that. It has very strict criteria that must, in  
my opinion, be adhered to. There must be an income stream so that money can be repaid in  
1850 32 years' time.

I agree with what Deputy Hadley and Deputy Sherbourne said about Capital Reserve. If I really  
want to stir things I would suggest that if PSD took the capital out of the Bond to pay for the Long  
Sea Fall outfall that is going ahead, or probably three quarters finished now. That is roughly  
speaking round about £20 million. They could take it out of the Bond and borrow it and that  
1855 would leave you with £20 million to put in the Capital Reserve and balance things up extremely  
nicely. There is always an income from waste water charges that would pay for that over the long  
term at the interest rates that we require.

As far as talking about progress of capital projects, on page 42 of the Budget Report it gives a  
list which has been moved forward on because they have not progressed sufficiently, and  
therefore as Deputy Kuttelwascher said there is about £180 million to £190 million in the pot,  
waiting for Departments to scope, analyse and bring forward projects to the SCIP process for  
consideration and authority. Thus I suggest we should just throw this amendment out.  
1860 Thank you, sir.

1865 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, when I initially spoke to one or two colleagues they kind of thought 'Is  
this madness' and so on, but I think you have got to look at the bigger picture. We are having  
strong lobbying from different factions in the construction industry that we are underperforming  
1870 – not just within ourselves but in comparison to communities like Jersey.

There is something reverberating, I do not know what it is, maybe it is a phone behind me, you  
cannot always tell with these things

The point is that when one looks at –

1875 **Deputy Perrot:** Could Deputy Gollop stop vibrating please? (*Laughter*)

**Deputy Gollop:** I don't know what it is that is vibrating.

**Deputy Perrot:** Or move out of the Chamber, or something.

1880

**Deputy Gollop:** I do not know what it is –

**Deputy Perrot:** I cannot hear.

1885

**Deputy Gollop:** I cannot make out what it is. (*Interjections and laughter*)

**Deputy Perrot:** Turn yourself off.

**Deputy Gollop:** Oh well – that is the problem with iPads.

1890

It says here:

The anticipated 5% (or £20m) shortfall in budgeted revenues for 2015 is sobering and has obviously informed the Department's estimates and recommendations in this Budget Report. Having regard to the available economic indicators and evidence, the Department does not believe that this is systemic; but rather that the causes are principally cyclical due to the inherent time lags in some revenues. The 2016 position therefore can be managed by reducing the appropriation to the Capital Reserve by almost £19m. However, such a reduction is unsustainable in the longer term if the States are to maintain their capital assets and also comply with their fiscal and economic policy objective to invest 3% of GDP in the islands' infrastructure. Therefore, if the shortfall in revenues proves to be more persistent, the States will be required to take longer-term measures.

Deputy Sherbourne has already reiterated what Professor Wood reports, which is more or less the same message. We are clearly underspending on capital to deliver services and outcomes. We are also underspending on capital in terms of delivering promises. And we are, as I repeat from earlier, underspending on capital development in relation to the needs and economic model capabilities of the building and construction sector.

1895

Therefore, in a funny kind of way, we increase the sense of austerity and may contribute to the loss of document duty and the loss of tax revenues, which have been a substantial part of this year's shortfall. So we are to a degree deflating our own economy through the lack of will in expending on capital.

1900

So, I do support Deputy Hadley's amendment because I think it will get us perhaps back into a virtuous cycle rather than a vicious cycle.

**The Bailiff:** Deputy Dorey.

1905

**Deputy Dorey:** Thank you, Mr Bailiff.

I will not be supporting this amendment; but I am not surprised the amendment has come forward because effectively that is what T&R have been doing for many years – taking money out of the Contingency Reserve and using it. And you could say they have effectively used it for the Capital Reserve.

1910

Last year was the worst case ever where they raided £54 million to establish actual revenue expenditure for the Economic Development Fund, revenue expenditure for the Transformation & Transition Fund. And they put £22 million into the Capital Revenue Account Reserve, which of course they have raided this year by £20 million so that we can then meet our Capital Reserve payments.

1915

So the history has been over the years that that is what we have done. Now we are going to the post office user and getting money from them – we have done it before and we are going to

do it again, to finance our capital. As I have said the real challenge I think this Assembly faces with our budgets for the future is where are we going to get the money to fund our capital, because we have a history of not generating the money and not taxing ourselves at the right rates.

1920 I accept that the predication this year was that we would not be needing to raid the General Revenue Account Reserve, but that is the reality that has happened. And if we are going to use the Core Investment Reserve again, we need to know that we will not get the income in excess of inflation from it, which is also funding our Capital Reserve – the more we take out of it the less income will be generated by investment income.

1925 The other reason why I do not want to support it is that this amendment is a year too early. In a year's time, as we are told, we are going to be considering the Capital Portfolio, Investment Portfolio at the Budget time and then we will have the projects, then we will have the predicted money in the fund – and then we will make a decision... are those projects that we are going to go forward with acceptable to the Assembly? And if they are not, how are we going to finance them in the future?

1930 One of the possible sources of income, but I think it would be not a good use of that money, is raiding the Core Investment Reserve as it is now called – instead of the Contingency Fund which is what it used to be called – again. But this is a year too early for us to make a sensible decision on it. We need to know what projects are going to go ahead in the next Core Investment Portfolio and the amount of money available – and then decide.

1935 Thank you.

**The Bailiff:** Anyone else?

Right, Deputy St Pier do you wish to speak?

1940

**Deputy St Pier:** Yes please, sir.

Sir, I think Deputy Dorey was very clear last year that he opposed the moves in the reserves, and I think he has been consistent in that approach. But I think the point and the reason for opposing this amendment is around the rationale and the rules which this States put in at that time – albeit rules which he did not agree with at the time – in terms of the overall shifting of reserves... the rules around the Core Investment Reserve. But I will return to that.

1945 Sir, Deputies Fallaize and Brehaut asked what is the value of the Core Investment Reserve. Well, at the end of 2014 in the States' accounts it was £143.3 million. The market has obviously moved up and down a bit this year, but at this moment we are about 1% ahead and that adds about £1.4 million. So the balance as at now is around about £145 million.

1950 Sir, this amendment in my view, is the most dangerous of all the amendments before you. I do not think you should be mistaken. This is a *Trojan horse*.

**Deputy Hadley:** On a point of correction, Mr Bailiff, I think he said that about a previous amendment. (*Laughter*)

1955

**Deputy St Pier:** Sir, I have to find my notes, I have selected a series of different adjectives... (*Laughter*) I will wait for the Gillson amendment and you will find another word for that as well. (*Laughter*)

1960 So, I am quite clear that this is the most dangerous. This is a Trojan horse.

Twelve months after we established the Core Investment Reserve which is, I might remind Members, our long-term Sovereign Wealth Fund for future generations of Islanders. Deputies Hadley and Sherbourne want to break the padlock on the treasure chest and throw away the key. This is the precedent they want to be set, because as we all know... and again they have been entirely consistent, they both believe that we should be spending more and if that means taking it from reserves so be it.

1965 As part of the 2015 Budget Report the Treasury & Resources Department of course set out our proposals to reclassify the Contingency Reserve as what we described as an 'enduring reserve'.

1970 Following debate the States did resolve to establish that Core Investment Reserve, and that it is to be used in limited circumstances that are exceptional, and specific circumstances of severe and structural decline or major emergencies. The establishment of the Core Investment Reserve was designed to put in place a structure to secure long term sustainability and enable targeted investment at a time when demographic and economic changes require us to do so. The Reserve is not for rainy days.

1975 The Reserve is an enduring reserve, our core capital, our family silver, with a dual purpose: to provide ultimate protection against severe and structural decline, or major emergencies and to provide a source of funding for capital infrastructure. There is no severe and structural decline at the present time that would warrant the use of our Core Investment Reserve.

1980 If we extend and use that rainy day analogy, we in the last few years have experienced some showers, which were sometimes unpredictable and at times have lasted longer than we forecast, but we are not now in the midst of a storm. This is *not* justification for use of our family silver.

1985 The premise in the explanatory note that the re-profiling of the hospital or the redevelopment of the College of FE will be under threat, is just plain wrong. Both projects, if they pass through the Capital Investment Process, will be funded. We anticipate that there will be £240 million available for projects in the next capital round. This is simply not a reason to raid the Core Investment Reserve.

Deputy Sherbourne seemed to be implying in his speech, sir, that the amendment would enable more capital projects, which again is simply wrong.

1990 Deputy Hadley used his characteristic hyperbole I think in his speech, but it is also completely unnecessary. Yes, we have reduced funding to the Capital Reserve by £80 million in 2016 from General Revenue, but have Deputy Sherbourne and Hadley failed to notice that this £80 million has been replaced by £10 million anticipated to come from our trading assets, and £8 million from the excess, above inflation returns, earned on the Core Investment Reserve? Just as we anticipated in last year's Budget.

1995 If this amendment succeeds, future investment returns will be unavailable for transfer to the Capital Reserve until the real terms value of the Core Investment Reserve has been rebuilt, depriving the Capital Reserve of that future funding stream.

2000 If the States pass this amendment they will have demonstrated irresponsible government at its worst. It will be telling the people of Guernsey that all the fine words about fiscal restraint and living within our means, are no more than hot air. We must live up to our promise to taxpayers to look after our Sovereign Wealth Fund, our Core Investment Reserve, it was built up on the backs of surpluses of the last generation of taxpayers. It is not ours to spend. It is there for future generations of taxpayers for real emergencies or cyclical downturns that cannot be managed in any other way. In other words it is for a crisis – and we are not in crisis.

2005 This amendment should be rejected and rejected emphatically, sir.

**The Bailiff:** Deputy Hadley will reply to the debate.

2010 **Deputy Hadley:** Mr Bailiff, I must apologise for not reading the amendment out earlier, and indeed the amendment is to transfer money from the Core Investment Reserve of a figure of £18.5 million.

I want to thank Deputy Sherbourne for doing a much better speech seconding this amendment than I did in proposing it in the first place. I think he made the case well.

2015 Deputy Kuttelwascher and Deputy Adam essentially made the same points that last year Treasury balanced the Budget and this year I was throwing it off rail. My recollection of last year is that £20 million was taken out of the Corporate Housing Fund, money that was supposed to be there and had been committed to that fund by the Assembly to build social housing, affordable housing – and that is what that money was there for. So it seems to me odd that this Assembly is prepared to accept that they can raid the Corporate Housing Programme to balance the books, but they cannot take money from the Core Investment Reserve. It is just nonsense.

2020

Deputy Gollop has made the point well, that there is a lack of investment in the infrastructure of the Island, and Deputy Dorey has made the point again. I was a bit lost in some of his figures but the essential point I would say to him is that my recollection is the books were balanced last year by taking £20 million from the Corporate Housing Reserve.

2025 It is not my intention that this money should be gone for ever, it is that I would hope to see the money replaced in the future by money from General Revenue. It is not a case of that we are throwing away the family silver. I would argue that our property portfolio – our hospital, the buildings that house our education institutions – *that* is the family silver, that we are allowing to tarnish by not putting the money there to replenish that.

2030 I do not think in any way this is a misuse of States' money. It is protecting our assets now. Not doing this is like somebody with money in the bank, no mortgage, the roof is leaking and you say 'Well I am going to leave the money in the bank for the time being and not worry about the fact that the property inside is being damaged.'

2035 What we are calling for is that we sustain our investment in Capital which is the investment for the future. So I urge Members to vote for this amendment.

**The Bailiff:** Members, we vote on the amendment proposed by Deputy Hadley, seconded by Deputy Sherbourne. Those in favour; those against.

*Members voted Contre.*

**The Bailiff:** I declare it lost.

2040 We come, then, to an amendment to be proposed by Deputy Gillson, seconded by Deputy Quin. Amendment No. 13.

Deputy Gillson. (*Interjection*)

**The Bailiff:** Greffier, can you read it please?

2045

**The Senior Deputy Greffier:** Yes, sir.

*The Senior Deputy Greffier read the amendment.*

**The Bailiff:** Deputy Gillson.

*Amendment 13:*

*'In Proposition 29, to insert at the end of the words:*

*"; but with the addition of £591,000 to the revenue cash limit of the Home Department to provide the necessary time for the benchmarking exercise to take place and to incorporate its agreed recommendations into the Department's operational services transformation programme which is critical in determining how the remaining FTP target and the General Savings Target can be met through efficiencies and not cuts to service provision; such addition to be funded from a combination of two sources namely, reducing the transfer to the capital reserve and the budget reserve with T&R having discretion to determine the spread."*

**Deputy Gillson:** Sir, thank you.

2050 Normally my introduction speeches tend to be on the short side. Unfortunately for Members, this speech is going to be the exception and somewhat longer than my normal speeches and I think that is an indication of the level of importance that we, the Home Department, place on this amendment.

2055 Sir, in this speech I shall explain why we feel the amendment is justified. To do this I will explain a number of things which will include: the structure of the amendment; where the funds will come from; how we approached the budgeting process; our reaction to the 1% efficiency cut; how we



considered the FTP balance to be unattainable in the short term; the transformation progress the Home Department has undertaken and will be undertaking; our support to the benchmarking process; and why from a good governance and good government point of view we think this amendment is needed.

2060 Deputy Quin and I are placing this amendment on behalf of the Home Department and would like to thank the assistance of the HM Procureur and the States' Treasurer in drafting the amendment.

2065 Firstly, the structure of the amendment. Members will note although the amendment is just a single Proposition it has two aspects. The first to make an allocation of funds to the Home Department and the second identifying sources of that funding.

2070 Members will have read in the explanatory note how the amount of the amendment is calculated. Partly it is the balance of FTP £263,000 and partly the 1% efficiency cut £328,000. I, and the Home Department, do accept that financial restraint is needed but – and it is a big but – reductions in budgets need to be on a sound basis and have some evidence behind them, and in the full knowledge of the impact on services, not by being held to an arbitrary target set some six years ago... an arbitrary 1% which has no logic or justification other than T&R thinking it up.

2075 We are not asking for more money, we are asking not to have *less* money. When we discussed this amendment with T&R it was suggested that we need not identify any source of funding that T&R could be left to do this and I think, according to the Rules, that is correct. However, we consider it would be wrong to produce what would be a one-sided budget that could take us in effect, out of balance and I believe it is the responsibility of Deputies to give careful consideration to where money comes from – because ultimately it all comes from the public.

2080 So, sir, we place before the Assembly a balanced amendment, one where we have carefully thought about it, and where the money comes from. Which brings me to the second point on my initial list: identifying the source of funds.

2085 We have tried to give T&R some flexibility by suggesting two sources. The first source is to reduce the amount paid into Capital Reserve, but to be offset by a slightly larger drawdown from the trading entities. Something which T&R are already going to do. The second source is the budget reserves and in some ways this is the obvious place, but we are aware of the limited size of it, hence giving T&R some flexibility in sourcing the funding.

2090 The next point is how we approached this year's or next year's budgeting process. The 2016 Budget is not the 2015 Budget with a little bit added for inflation. This year the Home Department has produced the 2016 Budget on as close to zero-based budgeting basis as we could. Service Chiefs were told to identify the costs of providing the existing level of services and this they did. They were challenged at both a staff and political level, and they confirmed that they believe our budget submission is the business as normal cost of continuing to provide the existing levels of service. The reality is that the reduction in budget being recommended by T&R will result in a reduction of services in one way or another.

2095 I think now I will go on to a little more detail as to why we feel the two amounts that make up the reduction which we are trying to reverse – the 1% efficiency reduction. We must be totally honest with this from the start. There is no logic to this number: it is a number, it is a percentage, that T&R have thought of without any logic or justification. Whist it is also very obvious that this 1% budget cut has not been applied to all Departments. It has not been applied to HSSD, it has not been applied to Education – and it is interesting when you consider both of these  
2100 Departments in turn.

2105 First, to make comparison with the HSSD position. I am not criticising HSSD, I have been on that board I know their situation, I am just making a comparison of where we are. I know that the 1% has not been applied because of the result of the BDO review, but that is not really the full story, because it can be argued that T&R are actually giving and earmarking HSSD more money than they need.

As the Treasury Minister said in his opening speech to the debate, the base line budget of HSSD should be £119.65 million, and he went on to say that HSSD – and credit to them – are

committed to making savings next year of £1.15 million to bring their budget as shown in the report to £118 million. So far good, HSSD say they can live with £118½ million and they are given  
2110 £118½ million, that is great. But we can see from notes on page 5 that there is a special provision of £1.5 million created within the Budget Reserve for HSSD, so according to the Budget Report HSSD are being given £118.5 which is what they say they need, plus a ring-fenced amount of one and a bit million in case they do not make the savings.

Now compare that to Home where we say we need £33 million and we are actually being given  
2115 half a million less than we think we are needing – that is hardly treating Departments equally. Now let's make a comparison with Education – again, no criticism of Education. They are not subject to the 1% efficiency cut, but no mention is made in the report to justify why they are not being subject to it. Unlike HSSD there has not been a benchmarking exercise.

I do not want to come across sounding sour grape, about treating Departments equally but if  
2120 we are meant to be all in it together then we should be in it together – and I also question whether T&R have in fact applied the 1% to their total budget. So to misquote George Orwell, 'all departments are equal but some are more equal than others'.

Now I want to turn to the FTP which we have said we think the balance should be written off,  
2125 we do not think it should be a mortgage and we need to look at this in a bit more depth – particularly what the Department has achieved. Well we have made a saving of over £2 million, which leaves us with a £313,000 mortgage – and in the short term to be honest we do not think we can meet that. But it is also worth pointing out that 98% of our FTP target was due to efficiency savings. We have not been able to generate significant new forms of income, we have not introduced charges... we have made real efficiency savings, real transformational savings. The  
2130 subject of transformation I will come back to in a couple of minutes.

Further evidence of the efficiency changes the Department has made is headcount. In 2010 at  
the start of the FTP programme the full time equivalent headcount was 545.1; at the end of 2014 it was 515.1, a reduction in staffing of 30 full time equivalents over that period. That is without reducing services – that is real transformation.

I think it is also worth noting that we have to question the validity of the original target – and I  
2135 apologise, I am repeating something which I said in an earlier speech a couple of months ago. The Department was allocated a target of £2.6 million, but nobody knows how that was established. Even the Programme Management Office has no recollection or idea of how it was actually...

It seems as though the Department estimated what it thought it could make but it did that  
2140 with no real understanding that this amount would be held as a mortgage against it for the future. When you look at the total targets when they were set, there was an implicit acceptance that some Departments would not achieve their targets... because I remind Members up to 2011, £4.9 million had been saved, the departmental targets given totalled over at least over £28 million, which together adds up to £33 million – but the FTP target was £31 million. So if you are  
2145 allocating targets which in total go above your final total target, then the implication has to be that some of those are not going to be achieved. Sir, we believe that it is wrong to hold us to just an arbitrary target which cannot be justified.

So, I mentioned transformation change: I would like a moment to explain a little about the  
2150 transformational change the Department has changed under the FTP banner. Remember, we have not increased fees, charges, or sold assets. One example was that the Home Department embarked upon a programme of change focussed on two of our services, Police and the Border Agency. This was called Restructuring Law Enforcement and through that programme we saved over £800,000.

The main thrust of the programme was to look at where Police and GBA could join forces,  
2155 share responsibilities, combining the processes and facilities; these ranged from relatively simple projects to imaginative developments and examples included bringing together training teams into single units – training together means that the staff are skilled and trained in the same manner, offering resilience across teams. Joint training helps cement the cultural changes and normalise the new structure.

2160 More involved, was the project to rationalise management across law enforcement, building on  
the appointment of a single head of law enforcement and replacing the dual Chief Officers. This  
restructure of the management team realised approximately a quarter of the overall savings.  
Operating our transformation has led to more extensive joint workings; examples of these are  
2165 within Economic Crime where joint working of officers work under a single command. Now, it is  
interesting that although collaboration in the UK across neighbouring police forces is  
commonplace, the sort of arrangement and restructuring we have got here is unique and other  
jurisdictions are now interested in following our example.

The Department has shown that is it not averse to making big decisions. Invariably there are  
significant risks when undertaking organisational changes of such scale, including potential loss of  
2170 expertise as staff are relocated and reputational risks. What the Department has achieved with  
Law Enforcement so far is real transformational change. We have not cut services or functions, we  
have not added or raised charges. This has not been an easy task but it has been one which has  
been done successfully.

This is not the end of the transformational change, we have further to go using what we have  
learnt across the Department. Similarly we can see more savings coming from rationalising our  
2175 Estate and moving towards physical co-location. This is part of the SAMP programme which we  
can look at co-locating a number of services, for instance co-locating the St John Ambulance to  
Town Arsenal could save the States in total a six figure sum, and moving Home out of Les Vardes  
could release a similar number. So let's be clear: we are working hard at transformational change  
2180 and driving efficiencies. I am not suggesting we are not going to do it, it is just we cannot manage  
it within the one year of this Budget.

Sir, that brings me to the benchmarking – mention is made in the report and it is appropriate  
to comment. I support the benchmarking exercise, I do have obvious concerns about identifying  
comparators, but on the whole I support it. I support it because the Home, the States and the  
2185 Island have nothing to lose, only much to gain. The results of benchmarking can in broad terms  
have one of three outcomes: that the level of funding is appropriate, it is too high, or it is too low.  
If it is too high or about right that is great it just demonstrates how lean and how serious a  
Department has taken its transformational change and general restraint on expenditure. If,  
however, it finds funding too high and identifies where savings can be made, then that is also  
2190 good for the Department and the Islands. But the board had a very honest and open conversation  
with Service Heads regarding the budgeting processing and exactly the same issue and, as I  
mentioned when explaining the transformation process, we have identified a number of these  
medium- and longer-term savings.

So, how we plan to approach the benchmarking exercise is to actually present BDO with a list  
2195 of all these areas for review, and the savings and the timescale we expect to be able to make  
them, and the amounts. We had all the Service Chiefs in the board meeting this week and I made  
it very plain that their, and their senior management teams', credibility is on the line if BDO  
identified within current service standards savings opportunities that they have not – because that  
is what they are there for. The complexity and possibly the most contentious issue is going to be  
2200 in relation to what is a service level. I do not expect benchmarking to result in suggestions to cut  
services, but certainly to change – and that is great, we are open to that. However, what is or is  
not a reduction in service can be a grey area. So with that caveat about maintaining services, I  
agree with the benchmarking and I support the benchmarking exercise.

The final point I made was why from a government and governance point of view we felt it was  
2205 important for this amendment to be placed. We, as Deputies, are guardians of the public purse,  
but we are also guardians of public services. This means we have to be careful of public monies,  
and we also have to look for savings and efficiencies – which we do. We also have to be very  
strong when it comes to not expanding services, because the States as a whole does not have  
2210 money. An example of what I mean by this is coming to the Assembly in December, The Domestic  
Abuse Strategy.

2215 In broad terms it is a success, it identifies some areas which could be improved, and the cost of those new services. We have not asked for funding for that in the 2016 Budget, we have not asked for it in that report and we have done that because we know the States does not have the money for new services. The Department will reconsider this as part of the 2017 Budget, but for 2016 we will do what we can within our budget to improve the services where we can; but we felt in the current financial climate we would be corporate and not try and get more money from the States, knowing our position. So I believe it is the responsibility of Departments to critically look at services they would like to introduce or expand, and at times when finances are tight make the tough decision not to introduce them and not to request more money. This we have done. It would have been far easier just to ask for money and it be rejected. We have decided it is probably better not to.

2225 But when it comes to cutting services, that is a different matter and this is where direction of the Assembly is important. We have said to T&R how much we believe we need to provide the same level of services next year, as we do this year. We have used as near as practical a zero budget approach. T&R have decided that we cannot have that amount of funding and are recommending to this Assembly a lower amount – an amount that will negatively affect the Department. If we were to accept that recommendation without placing this amendment, we would implicitly be accepting that T&R have the authority to direct us, even indirectly, towards budget and service reductions.

2230 I am not suggesting T&R are attempting to tell us where to cut services, just implicitly by recommending a reduced budget when our advice is we cannot provide the same services with that budget – they would be effectively saying 'Well you are going to have to live within your cost envelope, and if that means cutting services, that means cutting services.'

2235 Now, all of the FTP and other efficiency initiatives have been on the basis of efficiency and not cuts, so therefore that is a change of direction. Therefore there is only one body that can make that change of direction and that is this Assembly, which is partly why we have brought the amendment to this Assembly.

2240 If Members do not approve the amendment then that will indicate the will of the Assembly, and we will take the action we need to stay within budget, but it is important to us that that direction is given by the Assembly – and not by T&R through the Budget process.

2245 We are not afraid of cuts, we are not shy of taking the action. To illustrate how serious we can be I called all the Service Heads into a board meeting immediately the budget was published and explained the issues, and explained the likelihood of the budget being cut and the unlikelihood of the amendment going through. And after the meeting – and I am not particularly known for being subtle – one of my fellow Members turned to me and said that I had been a little bit blunt in that meeting with the Service Heads. I think you can imagine just how blunt I must have been.

2250 Sir, some Members may think that I am laying it on a bit thick, that I have it wrong. But I have been here before. In 2011 as Deputy Minister of HSSD I seconded a departmental amendment for the 2012 Budget, saying that HSSD could not live within that budget. And I think we were proved right in placing the amendment because the next HSSD board fell for financial reasons, as did the one after that.

2255 Sir, in this speech, hopefully I have explained to Members that we anticipate the reduced budget being proposed as having a negative effect on the Department. And hopefully I have explained the eight points that I listed at the beginning.

So I think in summary the point I am making is we are not asking for more money this year. This amendment is seeking to reverse an arbitrary cut.

I hope Members will support this amendment.

**The Bailiff:** Deputy Quin, do you formally second the amendment?

2260 **Deputy Quin:** I would be delighted, sir, and I am going to watch the T&R Minister's face all the way through.

**The Bailiff:** Deputy St Pier, do you wish to speak at this point? No.  
Does anyone wish to speak? Deputy Hadley.

2265

**Deputy Hadley:** Well I will certainly be supporting the amendment because I certainly cannot support a cut in public services, particularly those as important as delivered by the Home Department.

2270 I think it is nice to know that Deputy Gillson is so enthusiastic about benchmarking, because having gone through this with HSSD I can tell him that I, probably alone on the board, do not share the enthusiasm for benchmarking. And what I am sure you will end up with is a firm of English accountants coming over comparing your costs with those in the UK, telling you your costs are more than the UK and suggesting that you get your costs down to the UK which will be extremely difficult. And then they will probably suggest some changes that you know already –

2275 and after all of that you will be forced to try and make cuts in the service.

So with that caveat I will support the amendment.

**The Bailiff:** Anyone else?  
Deputy Le Tocq.

2280

**The Chief Minister (Deputy Le Tocq):** Sir, I rise just to say that I can understand to some degree the difficulties that the Home Department Minister and his board have had in terms of making further efficiencies. The Department was certainly one of those that worked hard under the FTP programme to make quite radical changes that did not affect services – and in fact in some cases improved services, particularly in terms of the reform of Law Enforcement. Therefore,

2285 it was always going to be more difficult once those initial things had been done.

It is going to be more painful to find further efficiencies. And yet, sir, I cannot get away from the fact that we are in the painful position – all of us, every Department, and all of us as representatives in this Assembly – to have to make the next few years really count in terms of

2290 doing the best we possibly can. And if we start therefore allowing one Department to do what Deputy Gillson is suggesting then it is going to be very, very difficult to say no to other Departments and committees in due course.

So as I result of that, I do believe I would have to say to Deputy Gillson he has to go back to the drawing board and work out how those efficiencies need to be made, because they do need

2295 to be made, and I do not think this option... and I understand why he is saying that, for the reasons I mentioned before – but I do not think it should be condoned by this Assembly.

**The Bailiff:** Deputy Le Clerc.

2300 **Deputy Le Clerc:** Sir, I feel very torn because I feel some loyalty to the Home Department, being a Home Department member for several years and knowing how hard the Home Department worked on the FTP projects. I was the board member seconded to the FTP project team. The problem is with the budget and the expenditure, it is very difficult to drill down and get any detail, and to get a feel for what could be saved and what could not be saved.

2305 On every single one we have got third party payments on the expenditure – well, what does that mean? And some of those third party payments amounts are huge amounts. But you look down at a better breakdown of the expenditure and you see that there is an increase in admin and central services – but again there is no detail behind that.

2310 You look at the Fire and Rescue and there is a saving of a couple of hundred thousand pounds on that, and the Law Enforcement is a huge saving on that from the previous year's budget. But there is just not enough detail in here sometimes to get a feel for what the right answer should be.

2315 So I am very, very torn at the moment and I will listen to the rest of the speakers. But I am very undecided at the moment as to how to vote, because I do know how difficult it is, being on the HSSD board... we realise that the budgets have not been where they should have been over the last few years, and as a consequence the services have suffered as a result.

So I am just very concerned about this and I do not know how to vote.

**The Bailiff:** Deputy Brehaut.

2320

**Deputy Brehaut:** Thank you, sir.

2325 I have to say I do not know a great deal about the Home Department because the debates we have in this Assembly generally centre on the larger Departments, whether it is HSSD, Education and others, and I do not know the inner workings of the Home Department. I am not familiar with the work of the Home Department.

2330 We were hearing the other day there are now 50 free cells in the prison – I do not mean free in the sense they are open for anyone to adopt... But there are 50 cells in the prison now that are unoccupied that there is nobody in them. I do not understand why that is. Have we – and this is just off the top of my head – lightened up on border controls, that there are less prosecutions, therefore less people are caught, or whatever? I do not know, I do not understand that level of detail regarding what the Home Department do. But what I do know – and what we should all prick up our ears at – is the sentiment contained with the speech that the Minister has just made.

2335 I was a member of HSSD for some years and we came to this Assembly... Deputy Adam has done it, Deputy Gillson has done it, Deputy Dorey has done it, and others... and I do not know how many people in this Assembly will remember being a member of the HSSD – and Deputy Brouard as well – with nothing other than a plea to this Assembly, a warning, a shot across your bows, to say if you want to press on with the FTP and if you want to realise these savings, it is a feather in your cap but there will be a consequence.

2340 I do not want to directly link an absence of funding to an event at HSSD but it is possible. If we hear, for example, that there was... I hate to be alarmist or emotive... but the Police deal with domestic abuse issues, they deal with vulnerable children and vulnerable adults, they are effectively an extension to the social services we have on the Island. And it concerns me when the Minister says that if this Assembly so wishes, they will go back and attempt to meet this target but they may have to introduce cuts to do that.

2345 My mind went to the meeting where HSSD resolved, as we did then, to close a ward because the surgeons were on holiday and because the staff take holidays and it would realise a few hundred thousand pounds saving, and then in the January they would be open and business as usual. Once you make a cut and you resolve that you are going to make a cut of that nature, you then have to think, 'And then what...? And it does concern me.

2350 I do not understand a great deal about the Home Department, but I am hearing clearly a concern from the Home Minister who has sat on the Department of Health and has lived and breathed those experiences, and I am minded to support this request because the lessons of history really are contained within the budget request, particularly from HSSD.

Thank you, sir.

2355

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Like Deputy Brehaut, I do not have a full detailed knowledge of every aspect of the Home Department – it is possibly just as well, given that they cope with some of the

2360 tougher challenges of life in Guernsey, though I did go on a prison tea party in the summer curiously enough.

I am interested in what Deputy Gillson has identified and I can understand why the Chief Minister wants discipline across the corporate levels, but I am not too sure that the two sides – if Treasury & Resources can be defined as the other side – are that far apart on this issue; because in  
2365 a way Treasury & Resources does not demand cuts, they are more stealthy than that, they will write to Departments in my experience at board level and say 'Your cash limit is this'.

There will be instructions and advice, and then the Department will either agree to that or rebel with all the political consequences that go with rebellion; and if the Department agrees to finding those savings or living within their cash limits then it is the Department's board and the  
2370 officers who have to make the savings – or the cuts, or the efficiencies, whatever you call them.

It is a very curious process, because in many cases this restraint is not directly imposed by either the Policy Council or the whole States' Assembly, so the view that Deputy Fallaize and others put across that the Assembly really is the executive who makes the decisions is not as true as it could be these days. It does seem to be that Treasury & Resources have had a very strong  
2375 executive role, especially in the last few years.

I will support the amendment, but the reason why I think it is nuanced is if you look at the Minister's forward to the Budget that Deputy St Pier has identified a lot is made, rightly, of the:

'On-going commitment, determination and leadership at a political and staff level for an extended period...to deliver. ... change'

The 'reform dividend'; the 'transformation' beyond FTP, service improvements are even mentioned 'which reform *must* produce.' – this is midway on the second paragraph.

'This justifies the States' decision last year to establish the Transformation and Transition Fund to enable this kind of reform. Following the experience gained from the base-lining and benchmarking exercise with the Health and Social Services Department, the Treasury and Resources Department is also recommending that in 2016...'

2380 – that is just really two months away...

'... a similar process is embarked on for the next two largest spending Departments: Education and Home.'

Now, because of the nature of the politics of our Island, Environment for example punches above its weight, because it is always in the news, and the topic of conversation. But Environment is actually quite a small Department in cash terms, it is not that much bigger than Culture & Leisure – Social Security is a different entity because of the nature of the funds.

2385 This report rightly identifies Home as the third biggest Department after HSSD and Education, so if Treasury & Resources are accepting and recommending that there should be this transformation transition baseline and benchmarking process – not to cut but to find improved ways of delivering those services – then surely we must all logically support the thrust of Deputy Gillson's amendment, because he is just accelerating the process to ensure cuts do not occur. But  
2390 these efficiencies and improvements, along the lines we have already with the Border Agency and so on, do happen. So it does seem to me pointless for Treasury & Resources to resist this, because this is only a detailed implementation – with the forensic scrutiny we expect from Deputy Gillson and his team – of a wish of the States generally and the Treasury & Resources Department in particular.

2395 So I think we do need to support the amendment as just a detailed masterplan of general policy that we are likely to support.

**The Bailiff:** Deputy Fallaize.

2400 **Deputy Fallaize:** Thank you, sir.

Some Members have said that they are not particularly familiar with some of the work that the Home Department carries out, or what its budget needs are. Well of course one of the reasons for

that is because the Home Department so seldom comes to the States and makes the kind of case that Deputy Gillson has just made.

2405 This is not a Department which is standing before the States year after year after year making the case for increases in budget, or the need for additional expenditure. Also I would ask Members to give some consideration to the Members who are putting forward this amendment, on behalf of the Department... Deputy Gillson and Deputy Quin are not particularly well known as prominent tax and spend merchants in the States, and I think that has to carry some relevance

2410 when they have put forward this amendment with some reluctance.

Sir, the underlying fiscal policy of the States with regard to revenue expenditure is that increases in expenditure should be restricted to no more than RPIX. T&R advises in this Budget Report that the forecast rate of RPIX in 2016 is 2½%. If the amendment put forward by Deputy Gillson is successful the Home Department's budget in 2016 will be contained within the 2½%,

2415 which is the underlying fiscal policy of the States. What is proposed by the Treasury & Resources Department is a cut which goes beyond the fiscal policy of the States.

So I think it is for the Treasury to explain and to justify why, in respect of this area of the budget, it is seeking to cut further and deeper, and go beyond what is set out in the fiscal policies of the States.

2420 The second point is that there are similarities between the Health & Social Services Department and the Home Department, in the sense that there are further efficiencies to be obtained. Members of the Home Department are not being advised by officers to resist all reductions in budget, or all budget constraint, simply because it is undeliverable. It is recognised within the Department that there is further scope for efficiency savings, but it is a question of

2425 timing. These efficiencies cannot be obtained at short notice during the calendar year 2016.

They most likely can be obtained over the course of the next two, or three, or four years – and we are potentially talking about efficiency savings which go beyond the kind of figures that are set out in Deputy Gillson's amendment. I would suggest that it may be, if the objective is long-term budgetary restraint, not approving this amendment may be counterproductive because if the

2430 Department does not have the resources in 2016 to invest in the work that is necessary to obtain the longer-term budgetary savings, then the expenditure in future years, 2017, 2018 and so on and so forth, is likely to be greater than it would be otherwise.

That is a message which the Health & Social Services Department clearly has got through to the Treasury & Resources Department, and maybe it is the fault of the Home Department for not getting that message through to T&R. HSSD have managed to get it through to the tune of

2435 £8 million, all based on the idea that in the future there are savings – perhaps savings of double that amount, or even treble that amount – but we are operating on a bit of a wing and a prayer. But the same principle or a similar principle does apply inside the Home Department, it is necessary to invest some money up front in order to realise future efficiency savings.

2440 Now if this amendment is unsuccessful there will have to be service cuts. I have absolutely no doubt of that. Personally, I wanted to set out what they would be, but time was against the Department, and Deputy Gillson is far more reasonable than I am and did not want to present too emotive a case. But I have no doubt that there will be cuts. And if Members knew the risk of cuts to the extent of £600,000, I do not believe that Members would be inclined to vote against this

2445 amendment given, as some other Members have said, the services that are provided by the Home Department.

We are talking about policing, we are talking about the Probation Service and we are talking about the Safeguarder Service – these are the areas which the Home Department provides. Do not believe that all these savings could be generated through policing, or through the prison, which

2450 may be the less glamorous side of the Home Department's work. There is much else that is provided by the Home Department which is very core to social policy and affects the most vulnerable people in the Island.

I have no doubt that there will have to be service cuts if this Budget amendment is not approved, because there will not be time between now and 2016 to identify further efficiency



2455 savings on top of the efficiency savings, which the Department has already made. The point has already been made, I think, by the Chief Minister and by Deputy Le Clerc – the Home Department came to the FTP relatively early and enthusiastically, and has performed... if you compare the original savings identified in every Department with the efficiency savings generated, you will find that the Home Department has performed at least as well as any other Department, if not better.

2460 Now this is not just the Home Department's budget, this is our budget, this is through you, sir, this is your budget, the States' Budget for the Home Department, so it will be no use just voting through a Budget and then saying 'Well, the Home Department can get on with dealing with the ramifications.' The ramifications will be ramifications in the ownership not just of the Home Department, but of the States. And I submit again that if Members knew the risk that there was to  
2465 the cuts in essential services in this Department, they would enthusiastically approve this amendment.

I know that T&R cannot approve it. I do not blame T&R. Deputy St Pier is going to find some other colourful word, no doubt, to describe this amendment. It might be reckless, it might be... it will not be dangerous because we have used that one already. *(Interjection)* It will be possibly  
2470 irresponsible, possibly reckless or risky or far reaching, or ill informed, or any one of those. *(Interjection)*

T&R has to object to this amendment, but this is not a decision for T&R, this is a decision for the States, and I think the balanced and measured view that should be taken by the majority of Members of the States is to support this amendment.

2475 I want to say one final thing. There is a line in T&R's Budget Report which makes it clear that the Home Department supports the BDO benchmarking that is proposed by T&R. Now, I am not sure whether the Education Department supports it or not, but the same line does not exist in the paragraph where it is proposed for the Education Department, but no doubt the Education Minister will inform us in due course.

2480 But the Home Department is entering in to that benchmarking exercise in the right frame of mind, believing there is the potential for further efficiency savings – wanting to find further efficiency savings. This is not a Department with a record of profligacy and taking a cavalier approach to expenditure, but on this particular occasion, in this year, the Minister has found it necessary to lay this amendment to the Budget, because what is being proposed by T&R is a real-  
2485 terms cut which goes beyond, and deeper than what is set out in the States' fiscal policies. I have no doubt that it will result in, as yet unidentified, cuts to services, and that is not part of the FTP. It is not something that we should tolerate in the next calendar year and it is not necessary in order to remain within the States' fiscal policies.

So I hope Members will support the amendment.

2490

**The Bailiff:** Deputy Adam and then Deputy Quin.

**Deputy Adam:** Thank you, sir.

2495 This sounds like a record that that has been replayed because, as Deputy Gillson said, there was an amendment brought at the budget time in 2011, stating quite clearly that the budget for HSSD was insufficient and asking for £1 million extra. I think it was only a million, it might be one and a half million. *(Interjection)*

2500 Anyway, the Assembly at that time refused to accept any reasons whatsoever for the necessity etc. and threw it out, as simple as that. No good reason so far as they were concerned. It is like agency staff, like ageing population, like increased workload... totally irrelevant. And then it is the responsibility of that Department to make sure they come within budget.

2505 There was an election then in May of 2012 – and I must admit I was rather stupid, I ended up being Minister of Health again – so I had to try and make sure... and I would be interested to know how many people who were in the States in 2011 actually voted against that amendment. Deputy Fallaize, sir, through you, might be able to give me the answer, because often he knows these things. He was in the States in 2011. *(Interjection)*

So the next thing I advise, sir, is that whoever is the Minister of Home Department now, I would suggest if you are coming back next term do not end up being Home Department, because you will have to sort it out after all.

2510 Deputy Fallaize also made very interesting comments, ramifications... You do not want to hear what the ramifications are of the services that are going to have to be cut, do you? Well unfortunately if the new person in charge of that Department does not bring a States' report to get the permission of the Assembly to cut these services they may be chucked out, inappropriate, because we did not – and as Deputy Brehaut said we decided 'What do you cut?' Well, Deputy  
2515 Luxon will tell you what they have to cut... agency staff. Deputy Dorey do not employ agency staff, it makes a cut of £1½ million to £2 million sometimes if you employed a lot.

If this is not successful as, unfortunately I think it probably will not be successful, because the tone has changed since then, the expectations of T&R have changed since then, the Departments have to try and stay within budget. But if you do not stay within budget because you have gone  
2520 through all the machinations of trying to stay in budget, then someone has to carry the can.

I do know something about Home Department, because I was on Home Department in my second term in the States, and it has always been a very well-run Department. But unfortunately, as I say, things have changed. I would suggest to the Home Department, very simply, in the next two or three months sit down, work out what the efficiency savings, or necessary cuts, that you  
2525 have to make. Do a statement to this Assembly before the election comes up, stating exactly 'Right, you did not agree with it, these are the cuts being made, what are you going to do about it?' Or go to T&R and explain the situation to T&R and get the benchmarking exercise in place early on in the year and then maybe you, like HSSD, will get £8 million to dig yourself out of the hole. *(Laughter)*

2530 In the meantime, sir, it is very difficult. As I say, things have changed, it has been very difficult to try and get anywhere near a balanced budget this time round, and therefore one has to accept that Home Department Members have to think again, look again, and then I honestly think state, whether you come back for election or make sure the new Department comes back shortly afterwards, stating what the situation is and what is progressing.

2535 Thank you, sir.

**The Bailiff:** Deputy Quin.

**Deputy Quin:** Thank you, sir.

2540 That was a wonderful rally from Dr Adams, but many things that he was suggesting that we do, we have already done. We have done it with a vengeance, we have sat for the last few months with heads of Department, heads of staff; what can we do, what more can we do?

My Minister said we are not asking for more money, we are asking for the same. The same to put the kind of services out that you and I, and everyone else on the Island, expects to get from the Police, from the Customs and the Prison.  
2545

I think it was Deputy Brehaut who said there are only 50 prisoners in there, but that changes from month to month. Deputy Le Clerc will tell you in her time on the prison we have seen as many as 120 and we have gone down to the 30, 40, 50, I think it was along those lines. So it is an ever-changing thing. I am not going to get involved in the figures because my Minister has done  
2550 it and Deputy Fallaize again has picked up figures. We cannot provide the services that we want, that the Island wants, that the Island needs, unless we keep roughly the same amount of money.

Looking at where we can make our next cuts. One thing stands out – it cannot be done in 2015, it certainly will not be done in 2016 – we are looking at 2017 for a restructure, taking the line of success that has been had with the linking of Police and Customs... not always popular,  
2555 especially with the ones that did not get jobs they wanted... 'simples' as the meerkat said. But the whole point is we cannot do it in that time.

The speeches we have heard from the Chief Minister, who was former Minister of the Home Department, he knows the problems – the same as Deputy Le Clerc. Deputy Hunter Adam is

2560 exactly the same, he has been on there. We do not know from week to week what problems are going to come. We will meet on the Monday and everything is fine, then something has hit the fan and the Police are called out, or you get a sudden death or something like that and the budget goes right up with the number of people you need. Same with the Fire Brigade, you cannot... there is a set number of firemen per fire engine. That is set by International and National Laws, and it is something that we have to abide by.

2565 Somebody said 'Well, you can cut staff'. You cannot take any more people off the fire engines because it will not work. It is the same with the Police, it is a 24 hour service which has to be manned.

2570 So while I am appealing to all of you here keep the Island as we know it, safe and secure... which is why people love to come to Guernsey, work here and live here. But we cannot do it unless we maintain a workable budget. Please vote for this.

**The Bailiff:** No-one else is – oh, Deputy Lowe.

**Deputy Lowe:** Thank you, sir.

2575 As a member of the Home Department, my colleagues have actually said an awful lot and I obviously support it and believe in it, and ask the States to support this amendment. It was interesting listening to Deputy St Pier's speech this morning and I wrote it down when he said it, he said, 'HSSD are looking at efficiencies'.

2580 Well that is exactly what we are doing. We are looking for the money to be able to carry out those efficiencies. So I do not see where it is right where one Department has sort of got manifold over what we are actually asking for, because we know we have identified them. It is not a case that we have just come out with a number and we do not know how we are going to address that. Yet HSSD are allowed to do that, as flavour of the month, I do not know. It is not fair when you have actually got a service here where the public expect that service for Police – like they expect the Health Service to be very good – and we expect the Police and the Border Agencies and all the other parts of Home Department to be able to operate as well.

2585 There has been so much good work carried out within the Home Department, including at the Prison. I notice Deputy Brehaut said he did not know about the Prison... I ask him to take up the invite that has been sent to all of you to come round to the Prison and see the good work that has actually happened there, because it is a completely different ball game to what it was many years ago and it has to be praised for all that hard work. Come and see it yourself, you will find out how good it is, and the work that they actually do. There is an award ceremony coming up which actually reflects that as well, for the prisoners who have received qualifications while being in the prison.

2590 So I do ask Members to support this amendment, because it is about efficiencies. If it was just to say, 'We are still spending and we do not actually know how we are going to address that', I would not be standing here and saying just support it. I do know that we can actually get this figure sorted out but we cannot do it for this year, so give us the benefit of the doubt- as we have given HSSD the benefit of the doubt – and support this amendment, please.

2600

**The Bailiff:** Deputy Bebb.

**Deputy Bebb:** Thank you, Monsieur Le Bailli.

2605 Very briefly, I came to this Assembly today intending not to support this amendment, but during the course of debate I am reminded... and Members should take heed of the fact that Deputy Gillson has been, rather unfortunately correct on previous occasions. I of course remember that distinctly from 2012 where the HSSD Department board resigned over a financial issue. What felt doubly annoying is that budget was set by the previous Assembly and was carried out by three members of a board that were not even *in* the Assembly at the point of setting the budget.

2610

It would be foolish for us to imagine that Deputy Gillson is wrong on this occasion. And more than that, it is cruel to set a budget for the next Department, that will no doubt include a number of those people who do not sit in this Assembly today – and to set them to fail.

2615 I have sat with Deputy Gillson on one committee, and I know that Deputy Gillson – and I know that the Home Department as a whole – are not exactly those people who would be willing to... I do not think there is anybody left in this Assembly who is willing to just spend money for the sake of spending money. If it comes to the end of next year and the Home Department have not spent all the budget that is allocated to them, I am convinced of that the fact that they will not be going on a spending spree in order to try and spend it all.

2620 Every single Department is desperately trying to save money, but as Deputy Brehaut said once in a meeting, 'If anybody could find the money at HSSD believe me we would tell you where it is, it is not as if we are hiding it behind the sofa'. I fear that that is what we have come to.

2625 I honestly believe that if we do not pass this amendment today – and I have been persuaded in the course of this debate – then we are setting up a Department to fail after the next election... and that did no good whatsoever for HSSD, it was very detrimental.

2630 One of the most pressing issues now is the re-negotiation of the health contract with MSG. That was delayed time and time again because of the changes that constantly happened. Do we need to experience the failure of another Department to learn the lessons, or have we learnt those lessons that the options available now at HSSD are diminished because of the lack of time available?

2635 That is where we are going with the Home Department, they need to come with their own savings. They need to have the ability to find those savings. If we do not pass this amendment my fear is that those savings just will not be delivered and in four years' time we will be having a budget for Home. No-one really wanted a Budget for Health this time, nobody wants a Budget for Home in four years' time.

So, please, think very carefully about what your vote will be. I have been persuaded that actually the right thing on this occasion is to vote for the amendment.

Thank you.

2640 **The Bailiff:** Deputy Dorey and then Deputy Sillars.

**Deputy Dorey:** Just some information for the Assembly.

2645 I think reference has been made to the amendment which was posed in 2011 to increase the budget of HSSD – it was for £1.35 million – and which Members who are still in the Assembly voted for. There were 18 Members who voted for it and 29 against, and of those who are currently in the Assembly who voted in favour was Deputy Brehaut, Deputy Gollop, Deputy Gillson, Deputy Fallaize, Deputy Lowe, Deputy Le Lièvre, myself, Deputy Adam, Deputy Brouard and Deputy Hadley.

2650 **The Bailiff:** Deputy Sillars.

**Deputy Sillars:** Sir, I have known Deputy Gillson for far too many years really. I also came today with absolutely no intention at all of voting for this amendment but I just really want to say a couple of things.

2655 One is that we at Education have found £6½ million of FTP savings so far and we are still charged to find the balance up to £7.2 million. We do not have the benefit of being able to charge more either.

2660 Just to pick up what Deputy Fallaize wanted me to say regarding benchmarking. My belief – and the majority of my board's belief – is that with the big debate in March on secondary and post-16... and of course one thing is, we do not know what our policy is going to be, but secondly we certainly have no idea what is going to come out at the end of the March debate.

2665 So we feel that is really not an appropriate timing to do any benchmarking when whatever comes out of the March debate will, I suspect, mean a huge amount of work for our Department, and may have financial implications. Well it will almost certainly have financial implications all over the place. So that would make it really, we felt, a waste of time to do it. Then you compound that with merging us with Culture & Leisure and Sport – and we again felt that would be even more complex.

2670 The most important thing is to get whatever we as this Assembly decide to go forward to do, and to merge the two Departments together to ensure that it is to the benefit of the whole of our Island. So whilst I personally am not against the benchmarking I just think it would be more appropriate to do it once it has settled down after that.

As far as this debate is concerned, I will be listening intently to the T&R Minister's speech and to Deputy Gillson's closing. I am certainly not where I started off this morning.

2675 **The Bailiff:** No-one else is rising. Oh, Deputy Trott.

**Deputy Trott:** Yes, sir.

Sometimes events in this place play out like a farce, and if it was not so serious it would actually be quite depressing.

2680 We have been reminded of the history this afternoon, that in 2011 a request was made for extra money which was rejected by this Assembly – and I was one of those who rejected it. Deputy Adam got re-elected Minister of HSSD, overspent and he got sacked. We then put him on to T&R – there was another Minister, Deputy Dorey, in between – and here we are today with the Health & Social Services Department potentially being given an extra £8 million. That extra £8 million is because we are told by doing it now there are a number of efficiency savings that may be able – there is a risk – to be brought to bear, which may see those monies recovered in the future.

2690 I do not think, sir, there are many in this Assembly who believe that will happen. Why? Because if this is going to be a guide to us historically, let's let what has happened over the last six of the seven years be a guide to us. Because over the last six of the seven years Health's expenditure has exceeded its budget. We have tried in vain to stick to the most fundamental principle of fiscal discipline, constraining real-term expenditure to RPIX or less, and we have not been able to do it this budget. The lid is off, so to speak.

2695 It was with real interest that I listened to Deputy Fallaize talk about how he could still maintain that fiscal discipline, because the rise that Home are asking for is only indexed in that way – it does not bust that rule. Of course it does not bust that rule individually but what it does do is compound the problem that we have right now, and that is that that fiscal discipline, albeit temporarily in the eyes of my good friends and hard workers on the T&R Department... temporary is, I think most in this Assembly would believe, to be anything but.

2700 This is a really, really difficult problem, and I am undergoing something that does not happen to me often these days, sir, I really do not know which way I am going to go on this. My fiscal discipline instincts say, say no to the amendment. But the historical lesson that we have heard today and the realities that we face, the heartstrings are really tugging. There is a demon on one shoulder and an angel on the other – and I genuinely do not know which way I am going to go. This is a very difficult one, sir.

2705 Thank you.

**The Bailiff:** Deputy Perrot.

2710 **Deputy Perrot:** People will have made up their minds and certainly nothing that I say now is going to persuade anybody one way or the other.

I would just like to place on record something of an endorsement of my very good friend Deputy Trott when he speaks about fiscal discipline. I firmly believe in fiscal discipline. I, very

reluctantly, went along with the way in which we dealt with HSSD this year. I accepted that there was no way of coping, but with the way in which we do propose to deal with it.

2715 I do think that special pleading on behalf of any Department is wrong in principle, there has got to be a *real* crisis which you cannot manage in any other way if you are going to breach one of your rules about fiscal discipline.

I have got the tone of this debate and I accept that many people are not going to agree with me about that, but people are feeling in that sort of kindly mood, I think, and that they are going to tip towards the Home Department. Well, for the reasons that I have expressed I am afraid I am sticking by my guns, and I am going to vote against that.

**The Bailiff:** No-one else?

Deputy St Pier.

2725

**Deputy St Pier:** Thank you, sir.

Yes, Deputy Sillars' amendment was, as I described it, the most opportunistic, and Deputy Hadley's was the most dangerous. Deputy Fallaize suggested I might choose 'irresponsible' and 'reckless' for this; others have suggested 'incautious and ill-considered'. But for me this is the most depressing amendment.

2730

And in fact it is also the most disappointing amendment because I think given Deputy Fallaize's comments about Deputies Gillson and Quin's fiscal credentials, this amendment says, 'Lord make me virtuous... but just not yet'. This is the Nimby amendment which says, 'Everyone should make savings... but not us'.

2735

This is the amendment that demonstrates a lack of political ownership. The subtext is, 'We do not want to be responsible for owning and driving this Budget, we want the States as a whole to tell us to do so, so they can be responsible for it'. And Deputy Fallaize came closest to saying this.

Deputy Gillson is quite right to draw attention to the transformational change which has been undertaken by his Department – by him and his predecessors. They were indeed early adopters of FTP. Deputy Lowe was quite right to draw attention to all the changes that have gone on at the Prison – and they are absolutely to be commended for that transformational change which has been delivered so far.

2740

As we all know, the Financial Transformation Programme commenced in 2010, was fully re-endorsed by this Assembly in early 2013, and of course it was initiated by the fundamental spending review and that identified those efficiency opportunities. And, as we all know, approval of departmental targets in 2012 – and Departments were given those targets for 2013 and 2014. The Home Department had an overall target of £2.6 million, which equated to some 7½% of its revenue cash limit in 2012, to be delivered over three years.

2745

At this point it is worth remembering that, of course, Culture & Leisure have delivered savings equivalent to 16% of their budget.

2750

A year ago, the States agreed to extend the time period available to Home to deliver the balance of its target which was outstanding at the end of the formal programme. So the Home Department's targets became £340,000 for this year and £290,000 for next. That is 1% and 0.8% of its budget respectively. So before we get overwhelmed by sympathy we need to remember that the Home Department has therefore had a period of four years to plan for delivery of this residual 0.8% target.

2755

In addition, as part of the 2015 Budget Report the Treasury & Resources Department set out a three-year budget for the States. The aim of this was, of course, returning to the balanced budget and financial surplus. And as part of that three year indicative cash limit, a further 1% efficiency target was signposted, which my Department has then used in setting its proposed cash limits for 2016. And that applied to all Departments except Health, Education – the formula-led budgets – and it did include T&R. The Home Department had been asked to balance its budget by reducing expenditure in normal terms by 1.8% or less than .5% in real terms. Is that really not possible to do?

2760

2765 The States are operating with a fiscal policy demanding no real-terms growth in aggregate revenue expenditure- and Deputy Fallaize referred to that. In fact, until 2015 we were seeking to reduce aggregate revenue expenditure through the delivery of the Financial Transformation Programme targets. These fiscal disciplines are a key part of the overall financial stability of the States and are likely to persist for some time.

2770 Deputy Fallaize made the case that his Department is being asked to cut; but of course the policy, exactly as Deputy Trott said, is across the States – not Department by Department. And we, as Treasury & Resources, in living within that overall target have to accommodate a range of pressures across the States, including of course, through the formula-led part of the Budget.

2775 The framework for public service reform, which this Assembly considered and endorsed in September, clearly sets out the fiscal and demographic challenges which we have, and the need for reform in order to develop sustainable public services for the future. This will involve of course, as I said in my opening speech, delivery of a reform dividend, meaning that further savings will need to be found to reinvest in services. It is vital that fiscal discipline and reform are embraced by all facets of the public service and not seen as someone else's problem.

2780 I am encouraged to note that all other Departments have prepared budgets within their cash limits, including the 1% efficiency targets where applicable, even though most Departments including my own do not know where that 1% is going to come from yet. I said in my opening speech even HSSD is planning £1.9 million of savings next year. It is the very strong opinion in my Department that the same fiscal discipline must be applied across the *piste* and to the Home Department.

2785 I am of course pleased that the Home Department is embracing the proposed costing benchmarking and prioritisation review. In a similar manner to the exercise undertaken this year in Health & Social Services, this will provide a clear evidence base showing not only the cost of the current service model, but also any opportunities for future efficiencies when gaps from agreed benchmarks have been identified. Pending this review, and in light of average underspends against budget of 1.8% per annum over the last five years, I firmly believe that the Home Department should be asked to live within the cash limit proposed by my Department in the same way as all other Departments have had to do. And of course if they cannot, then they will come to us in the year and ask for additional budget through the Budget Reserve – and that is the proper process.

2795 Turning to the sources of funding for this increased expenditure sought by Deputy Gillson, the amendment offers two options: a reduction in the transfer to the Capital Reserve or the use of the Budget Reserve. In putting together the proposed Budget the Treasury & Resources Department strives to deliver on all the fiscal policies of the States, and the key overriding principle of the fiscal framework is one of long run permanent balance, which drives the need to balance the books and deliver a balanced budget. However, notwithstanding this a short-term fiscal policy of no real-terms increase in aggregate expenditure persists, and the Treasury & Resources Department has prepared this Budget to the limit of this no real-terms growth policy, and has stretched beyond that in the case of HSSD. Any net increase in revenue expenditure would result in this rule being breached. Therefore the option of reducing the transfer to the Capital Reserve is not one available to us.

2800 The second option is to use the Budget Reserve to fund the increased expenditure. The Budget Reserve has been established for multiple purposes and contains amounts earmarked to fund pay awards, and capital expenditure. Importantly the balance of the Reserve acts as the Budget Contingency for all Departments for the overall general revenue budget of £365 million.

2810 Please bear in mind that the amount of the unallocated element of the Budget Reserve for 2016 is £2.25 million, or 0.6% of total net revenue expenditure, which needs to cover any in-year variations in formula-led expenditure and unanticipated, or emergency, one-off expenditure across all Departments. This Reserve has reduced in the past two years because of the challenges of compiling a Budget within the fiscal envelope and continuing requests for funding because of pressures or unavoidable service developments from Departments.

2820 Following a request from Deputy Dorey, my Department has circulated details of the calls on the Budget Reserve so far in 2015 which shows that, excluding pay awards and the substantial increased funding for HSSD, some £2 million has been approved in 2015 – which demonstrates the importance of keeping such a reserve. Any further permanent reduction – which is what this amendment would deliver – if we are to live within the fiscal rules would, in my view and in the view of the Department, be reckless.

2825 In my opening speech I said that Deputy Trott had challenged the temporary lifting of the no real-terms growth rule to accommodate increased HSSD spending. I said he was right to do so. But I also said that he knew, and I knew, that any alternative – in other words cutting expenditure by 4% in other Departments – was politically undeliverable. This amendment, in which Home rejects the mere 0.5% real-terms reduction, is absolute proof of that fact.

2830 At the IOD debate last week I listened to the IOD's economist describe how the UK's Prime Minister had transferred budget from the Department for International Development to the Minister of Defence – this was to pay for the UK's response to the Ebola crisis in Africa. I listened with some envy that in fact that we might ever have such power in our system of government. But as we all know in this Assembly I do not have any such power.

2835 For those of you who monitor social media and the blog websites, you will know that day in day out, week in week out, month in month out, there are members of our community who say that I am useless, that I am weak, that I am incompetent and that I am in the pocket of our civil servants, and that I am failing to cut government spending. And to top it all I am a 'tax and spender'. (*Interjections and laughter*)

2840 **A Member:** You should have seen what they said about me! (*Laughter*)

2845 **Deputy St Pier:** What they do not know – and what everyone in here does know – is that in our system of government I have no authority or power to act in the way that they think I should. They do not know – and what all Members do know – is that the Treasury & Resources Department does not have the power to do what they think they should. We can do no more than recommend, persuade and argue the case for fiscal discipline.

2850 Neither do the civil servants have the powers ascribed to them. Ultimately, what they do not know, and all the Members do, is that in our system of government it requires the will of 24 Members or more of this Assembly to provide the strength (**A Member:** Hear, hear.) and iron determination to deliver against our collective promises of self-restraint. (**A Member:** Hear, hear.) Collectively we cannot, as the Chief Minister says, we *must* not allow a single Department to just do its own thing.

2855 Now, I am pleased that Deputy Gillson said in his opening speech that he was not confident of success, and I hope that the Assembly does not surprise him. This amendment must be soundly defeated. (*Applause*)

**The Bailiff:** Deputy Gillson.

**Deputy Gillson:** Thank you, sir.

2860 Deputy Hadley, thank you for your support. Yes, we have got great concerns about the benchmarking process, I agree with you, because it is a matter of trying to find comparable benchmarks, and in many ways we are unique. We are the only place in Britain that got a GBA and Police under one head, so that immediately makes us difficult to compare. I welcome your support.

2865 Deputy Le Tocq appreciates our concerns, great, but does not believe that we should allow one Department to go off on our own and do what it wants. Well, the Budget is already allowing that because it is allowing Education not to be subject to 1%. Surely if you believe everyone should to the 1% then Education should be as well. So you are being inconsistent in that statement I am afraid.



2870 Deputy Le Clerc, difficult decision... hopefully through this I will be able to convince you to support us.

Deputy Brehaut, similar. Limited knowledge, yes that is the nature of our Department structure, you will have only limited knowledge of Departments you are not in. But I hope you remain mindful to support and I appreciate the kind words you said.

Deputy Gollop, hopefully will continue to support.

2875 Deputy Fallaize: great speech especially noting the fact that our increase, or removing the reduction, is not a huge increase in our budget.

Deputy Hunter Adam, I think you made a great case for supporting this speech (**A Member:** Hear, hear.) and I think people should listen to the case you made and support this amendment.

2880 Deputy Quin and Deputy Lowe, absolutely right. We are in the middle of restructuring, we can see a lot of savings, we just cannot see half a million savings in the next year, but we are committed to making savings in the long run.

Deputy Bebb, I am grateful that you have changed in your support. I think you are quite right about not wanting to cause a problem for the incoming Government. Hopefully the rest of my wrap-up speech will not make you change your mind.

2885 Deputy Sillars: yours was mainly explaining the Education and you are undecided, and hopefully you will soon be decided on the side of the Department.

Deputies Trott and Perrot... cannot support it because it breaches the fiscal framework. I presume then if it did not breach the fiscal framework you could support it, because –

2890 **A Member:** The fiscal framework is already breached.

**Deputy Gillson:** No, actually I do not think it is –

**A Member:** No, not by you.

2895

**Deputy Gillson:** No, no, by this Budget... sorry, through the Chair, sir. (*Interjection*)

2900 Members may remember that the fiscal rules we are referring to were agreed in 2009 that we would not have a real-terms increase in expenditure. It therefore seems appropriate to use 2009 as a base year for our expenditure. RPIX was reset, rebased, in 2008, so in June 2009 it was 102.7. I am using June because in the Budget June is used, T&R are using June as the archive figure.

2905 So it is 102.7. In June 2015 it was 117.6, an increase of 14.9 points – I can email the calculations to you afterwards if you want Deputy Trott to save you doing them – or a 14.5% increase. Total net revenue expenditure in 2009 was £325½ million, and if you multiply that figure by 14½% you get a total of 372. Increase it by the 1½% to take it from June to next year, as T&R are recommending, and the 2009 base year figure reflat to 2016 values comes to £378.3 million.

The revenue budget is £372.1 and we are asking for half a million on top of that. So even with our amendment we are not breaching the fiscal rules that we set in 2009 – and I think that is important.

2910 Some people may say, 'Aah well, we do it on a year by year basis, we cannot do it cumulative'. Well actually the Treasury Minister has set the precedent for doing cumulative adjustments like this in the way that we are reflatting the motor tax element of fuel duty. So taking his lead on fuel duty we can reflate the base year of the fiscal framework and we are not – we are close to it, and I make no bones about it, we are close – but we are not actually breaching the fiscal framework.

2915 So Deputy Perrot, if that was your only objection to not supporting this amendment which you indicate in your speech, hopefully I have shown that you can support this amendment, sir.

**Deputy St Pier:** Just a point of correction. I do think that with Deputy Gillson's calculations there is a risk of misleading because he has not taken any account, of course, of the impact of FTP on the calculations.

2920

**The Bailiff:** Deputy Gillson.

**Deputy Gillson:** I have used figures that your Department have provided me. I asked for the figures and I have based it entirely on those figures, so I have done the best I can using T&R figures.

It brings us to Deputy St Pier. Disappointing and depressing. It is a coincidence, because that is what we said when we got our budget back from T&R. (*Laughter*) Deputy St Pier and I are as one mind on this issue, it is depressing – depressing that we have been arbitrarily cut.

'No political ownership'... well, to be honest it is not our budget. Our budget that we submitted was one that we said that we could come in with. It was one that we said we would not have a problem with. We were then faced with a budget which was arbitrarily cut, and that is why we are coming here to say that actually it has been arbitrarily cut. We do not think it is possible.

It is a fool who then takes political ownership and says, 'Great, we will be able to live with this'... and not question it, knowing that you think it has got a problem. Placing this amendment is not showing a lack of political ownership, it is showing a political realism that we are coming here and being honest.

Deputy Quin and I – it is no secret – neither of us are standing in the next Election. We could quite easily have thought 'Phh, it's not our problem, we have got no political ownership of this because we are not going to be in the Assembly after May.' No, we are coming here because we believe it is right to show political strength, and saying we think something is wrong and we want it corrected.

Three year budgets... yes, but they are only noted, and we have been working through the year to try and find these things, but we have come to stage of the budget where we are saying we cannot. And he mentioned 1% applied to T&R. I am going to be awkward and I am going to dispute that. I do not think the 1% efficiency savings has been applied to the whole T&R budget.

I think it is worth looking at. The T&R budget is on page – if I can get to it – page 97, and you see their non-revenue formula-led expenditure £19 million, and their budget cut is – this Budget is saying – is 1% of £19 million. So how can I stand here and say it has not been applied to their whole budget?

I ask you to turn to pages 128 and 129. Here we see on page 128 the budget for the SCIP... £778,000 staffing costs on SCIP for next year, an increase of quarter of a million on this year. No sign of a 1% cut in that fund – it has gone up by quarter of a million. It may say... and I suspect the States' Treasurer is whispering that that is not funded from revenue that is funded from capital. So what, where the money comes from? All the money comes from the public purse. Surely if somebody is sitting at a desk in Home or in Culture & Leisure doing administrative work is subject to a 1% cut, then the people in SCIP... we should expect the SCIP process to be 1% as efficient as anybody else.

Then we go across to page 129 for administration of the States Superannuation Fund, and that has gone up by £70,000 in a year – no 1% cut there. What is very interesting is if you take the budget for staffing costs of administering the Superannuation Fund in the 2011 accounts – that is the year before this Treasury Department took over – that figure was £242,000. The cost of administering the Superannuation Fund under this T&R Department has gone up by £220,000. And when I say T&R have not applied the 1% cut to their full budget, that is what I mean – and they have not done it, because there is a huge... and that is all established staff, that is all Civil Service staff. So, no, they have not applied 1% to their whole budget.

Benchmarking: yes, we want to be benchmarked, as I have said, so we are of one mind on that. There are concerns about it. And the sources of funding: well, we just want to be flexible on that, we offered some sources.

Sir, between the opening speech and answering questions on the debate, I hope I have answered all the questions. I hope we have explained the six or seven points that I made at the very beginning. It is important, and I think it is worth noting, that the Treasury Minister in his opening speech, and during his speech, made mention of transformation being essential and we

need to do that; but why cut the budget of a Department which has a track record of transformation and is in the process of transformation?

2975 It is ironic in a way that our biggest transformation programme is HOST, which is part of the SCIP and being delayed slightly by T&R's own proposals. So on the one hand they are telling us you have got to make savings next year, on the other they are actually delaying our major savings generating programme.

2980 So I think that we must ensure the future viability of services. We have got a proven record of transformation change, we want to continue and we are asking for a one year's breather – a bit like HSSD – that we cannot deliver next year but we can in future years.

Finally, the Treasury Minister in a way gave a reason in the BBC interview yesterday when not opposing it. He said that, and I quote:

'I do not think that the amendments will change the core of the Budget'

What is the problem with supporting it?

2985 As I said, sir, we are not asking for more money, we are just asking not to be given less. Please support this amendment; and a recorded vote please, sir.

**Deputy St Pier:** Sir.

2990 **The Bailiff:** Deputy St Pier.

**Deputy St Pier:** If I may make a point of order and correction.

The reference to the interview yesterday was, of course, to the amendments that were passed yesterday, that was the question I was asked.

2995 In relation to pages 128 and 129, as Deputy Gillson says the SCIP portfolio is of course funded from the Capital Reserve not from General Revenue; but it is of course not part of the T&R Department budget. And in the Superannuation Fund administration, the additional costs budgeted for 2016 relate to the transfer to the care scheme, which is more expensive to administer.

3000

**Deputy Gillson:** May I ask whose budget SCIP is, if it is not T&R?

**The Bailiff:** I think that is a rhetorical question isn't it, Deputy Gillson? *(Laughter)*

3005 We cannot have questions, I stopped questions this morning and we cannot have more questions going to and fro – unless SACC want to come back with changes to the Rules suggesting that there can be questions. *(Interjection)*

So we now have the recorded vote on the amendment proposed by Deputy Gillson, seconded by Deputy Quin.

*There was a recorded vote.*

*Not carried – Pour 19, Contre 25, Ne vote pas 0, Absent 2*

**POUR**

Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Bebb  
Deputy Lester Queripel  
Deputy Gillson  
Deputy Fallaize  
Deputy Laurie Queripel  
Deputy Lowe  
Deputy Le Lièvre

**CONTRE**

Deputy Conder  
Deputy St Pier  
Deputy Stewart  
Deputy Le Pelley  
Deputy Ogier  
Deputy Trott  
Deputy Spruce  
Deputy Duquemin  
Deputy Green  
Deputy Paint

**NE VOTE PAS**

None

**ABSENT**

Deputy David Jones  
Deputy Wilkie

Deputy Collins	Deputy Le Tocq
Deputy Dorey	Deputy James
Deputy Brouard	Deputy Adam
Deputy Quin	Deputy Perrot
Deputy Hadley	Deputy De Lisle
Alderney Rep. Jean	Deputy Burford
Alderney Rep. McKinley	Deputy Inglis
Deputy Brehaut	Deputy Soulsby
Deputy Robert Jones	Deputy Sillars
	Deputy Luxon
	Deputy O'Hara
	Deputy Harwood
	Deputy Kuttelwascher
	Deputy Domaille
	Deputy Langlois

3010 **The Bailiff:** Members, while there is a pause, I know some Members may wish to leave the Chamber slightly early this evening, can I just ask that when you do leave this evening you take with you anything that is yours. There is going to be an investiture in this Chamber later and it will not be possible for Members to leave anything in the Chamber. If they want to leave things they can do so in the States' Members room next door, the old library, but it will not be possible to leave anything in this Chamber.

3015 Thank you.

I can announce the result of the vote on the amendment proposed by Deputy Gillson, seconded by Deputy Quin. There were 19 in favour, 25 against. I declare the amendment to have been lost.

3020 We move now to what I believe is the final amendment to be proposed by Deputy Collins and seconded by Deputy Fallaize.

Deputy Collins.

**Deputy Collins:** Could I ask HM Senior Deputy Greffier to perhaps read the amendment for me please, sir.

3025 **The Bailiff:** Yes, Mr Ross.

*The Senior Deputy Greffier read the amendment.*

**The Bailiff:** Sorry, did you read 27th July 2017?

3030 **The Senior Deputy Greffier:** No later than July 2017.

**The Bailiff:** Yes, sorry, maybe I misheard you, but mine says no later than July 2017.  
Deputy Collins.

*Amendment: 13*

*1. To insert a new Proposition 32 as follows:*

*"32 To direct the Culture and Leisure Department to do everything reasonably possible to increase the funding it provides for sport when allocating its 2016 budget given that there is a pressing need to increase public investment in sport; and"*

*2. To insert a new Proposition 33 as follows:*

*"33 To agree that the Committee for Education, Sport and Culture must report to the States of Deliberation by no later than July 2017, setting out a comprehensive sports strategy, including the funding requirements necessary to achieve the objectives set out in the strategy"*

**Deputy Collins:** Thank you, sir.

3035 As previously stated in this Chamber I hold various voluntary positions across various local and international sporting bodies. I just want to say I am thankful to Deputy Fallaize for supporting this and for his assistance. I am very grateful for the signalled support from the Treasury & Resources Department members, the signalled support from the Education Department members, and I thank them for their recent letter and for meeting me recently to discuss the future.

3040 Just to explain, sir, I came to the Education Department regarding this amendment as they and the Culture & Leisure Department are forming a shadow committee to ensure a smooth transition and merger from the two Departments into the new Education, Sport and Culture Committee. I am also grateful for the time that the Culture & Leisure Department members gave me last week at their board meeting, and whilst I understand they are supportive as a Department they will be speaking individually as Members.

3045 What is this amendment all about? Well, sir, firstly as highlighted earlier this year the Guernsey Sports Commission has not received any substantial additional funding from the States since it was formed in 2004, and the Sport Development Fund has not received any increases in 15 years, remaining at £65,000. So the first part of this amendment is asking the Culture & Leisure Department to do everything reasonably possible to increase funding next year for sport.

3050 I had hoped to inject new money into the Culture & Leisure Department. My first thoughts were to double the Guernsey Sports Commission budget with suggesting the additional £250,000 being ring-fenced for a new Health Through Sport category, encouraging Sports and local organisations to help this States get more people active – and I will be talking about that again in a moment. But without detailed evidence and the lack of a States' sports strategic plan I was forced to reduce my aims to a token £30,000: (1) to increase the Sports Development Fund, as again no increase in 15 years, (2) to increase the travel fund, and (3) increase the general funds from the Commission. But unable to get clear support for this by the budget deadline from the Culture & Leisure Department, Deputy Fallaize and I opted for what is before you today, sir, directing the Culture & Leisure Department to do more for sport and the new Education, Sport & Culture Committee to report back with a comprehensive sports strategy by July 2017.

3055 I spoke during the Medical Officer of Health's Report earlier this year which highlighted that only 30% of adults met the recommended physical levels, and 20% reported no moderate exercise at all. Physical activity is one of the keys to reduce obesity in this Island and supporting the Guernsey Sports Commission, our local sports will help to reduce these levels and therefore reduce future healthcare expenditure. Just last week, sir, the Healthy Weight Strategy Action Plan was released, and within it were several actions for the Guernsey Sports Commission and local sports organisations. I know they will play their part, but they have limited funding and can only do so much with the volunteers they have.

3070 Dr Bridgman and I met earlier this year and we discussed this subject in depth. Following our meeting I wrote to all the sports encouraging them to get involved with the healthy weight consultation. Active transport is something he recommends and this is where I wish I was a member of the UK Party and told to vote this way or that depending on where my party sits, or which day of the week it is. I personally did not believe in free bus service or paid parking, and therefore I am sorry that I have not been able to support these parts of the Transport Strategy. But I have always been supportive of the cycle and pedestrian infrastructure plans and I am glad that some of these things can now happen after the debate in July.

3075 Guernsey Mind hosted the Change for the Good conference just two weeks ago and I was delighted to attend both the dinner on Wednesday night and the workshop the following day. The workshop had some excellent speakers including Gareth Thomas from Wales, who spoke about the positive effect sport can have on people's mental wellbeing and we should support sporting organisations as a force for the good.

3080 Moving on to Jersey, sir, I did in fact fly down to Jersey recently and was very grateful to the Minister of Education, Sport & Culture and the Assistant Minister responsible for sport, for giving me a morning to discuss sport with them. Interestingly, Jersey Sport avoided all financial cuts from

the £145 million current Jersey deficit, and it was announced just a week ago that the States of Jersey will continue to fund direct to Sports £750,000 – considerably more than Guernsey.

3090 Comparing like for like, Jersey's bottom line budget for sport is £3.452 million and the Culture part is £4.685 million – together £8.13 million, being about £80 per head of population. Our Culture & Leisure Department's total budget is £2.97 million, being about £47 per head of population. Just to add, sir, the economic value of hosting the 2015 Island Games was estimated to be about £4 million. Guernsey can expect a similar return when they host the 2021 Island Games in Guernsey.

3095 I personally believe the economic footprint in this Island for sport is huge and I expect the report in 2017 will highlight the value of sport and what return or possible more investment will bring into the economy, the wellbeing and health impact of all Islanders and the value of volunteers in our sports. At the weekend the Guernsey Commonwealth Games Association, with which I am involved – thanks again to the local business community – announced additional funding to the elite athletes of this Island travelling away. As I have said publicly, all this is not  
3100 about more funding to the elite it is about getting Islanders more active generally and supporting local sporting organisations to enable us to do that with them.

I am not involved with the Guernsey Sports Commission directly and am unsure what requests they have made over the recent years for additional funding from the Culture & Leisure Department, but Sports have often spoken to the local media about it, including an article from  
3105 April 2014 from the Netball Association about Sports Development Fund not even receiving an inflation increase. All Members have to do, sir, is type 'Guernsey lack of sport funding' into Google, and Members will see various articles. The Guernsey Sports Commission has done, and is doing, an excellent job and raising huge amounts of external sponsorship which is invested into various programmes they run. I believe bringing them closer to Education is a good move, getting  
3110 younger Islanders into physical activity earlier in life is a good thing and with 50 sports to choose from there is something for everyone.

I fully understand the Culture & Leisure Department's difficult journey they have been on with the FTP programme. However, I am confused, and I am sure the Minister, if he speaks, will clear this up. He said on local radio last week the Department achieved a 22% FTP rate and as the T&R  
3115 Minister has just said, the figure that I have in mind is 16%. But does that mean the Department went over its 10% target and took additional money away from leisure, sports, arts, etc. and returned it to the centre?

I do not want to rob Peter to pay Paul within the Culture & Leisure Department, but if the Guernsey Sports Commission was a Government Department the staff and the budget would have  
3120 had some sort of meaningful increase over the last 12 years. I am willing with the Minister, and perhaps the Minister for HSSD, to sit down and develop a business case over the remaining five months of this term to perhaps gain some extra funding from the Budget Reserve, or the centre, to start achieving some of the Healthy Weight Strategy Action points, as the Guernsey Sports Commission, I fear, does not have the resources to have the impact we need.

3125 I know the Culture & Leisure Department have done a lot for sport over the years, and I am sure the Minister will outline many of these achievement, but I do take offence when he stated on the radio that I should have started this 18 months ago. In reply to that I wish I had, but I only retired from international play a year ago and it would have been inappropriate to be banging on the table about sports funding – not that I received any from the States, personally, in many years.  
3130 But I have hung up my bowling shoes and been elected to various roles locally and internationally, in the last 10 months, and I shall be banging that table hard from now on.

A fellow Member, sir, asked me why didn't I speak on this subject earlier and I replied with 'When was the last Culture & Leisure debate?' They did not know, so I researched the facts – reports submitted for debate by the 10 Departments over this term so far: Treasury & Resources  
3135 Department 39 reports; Commerce & Employment 38; Home Department 28; HSSD 22; Environment 15; Public Services 12; Social Security 11; Housing Department 9; Education

Department 8; Culture & Leisure 0. Yes, sir, not a single report this term laid before the Members and this Assembly for debate.

3140 **Deputy Duquemin:** Point of correction, sir. There was one report brought to the Assembly on the Channel Islands Lottery. (**A Member:** By mistake?) (*Laughter*)

**The Bailiff:** Thank you, Deputy Duquemin.

3145 **Deputy Collins:** In answer to that, sir, as I clearly have just said for debate. That report was laid as an annex report and it was not debated. (*Interjection and laughter*)

**A Member:** We'll round it down to inches.

3150 **Deputy Collins:** We'll round it down. (*Laughter*)

And to conclude, sir, this States increases tobacco and alcohol rates, I believe to stop people smoking and drinking to excess. And that should therefore work the other way, sir, funding to promote physical sporting activity is key and something we should do often – perhaps as often as we raise those tobacco and alcohol rates.

3155 I am delighted that Sport is now in a Department's title Education, Sport & Culture, and whilst I remain in this Chamber, I shall do my very best from now on to ensure that sport is more than just a name in that title and adds value.

I ask Members to support the amendment.

Thank you, sir.

3160

**The Bailiff:** Deputy Fallaize, do you formally second it?

**Deputy Fallaize:** Yes, sir.

3165 **The Bailiff:** Deputy St Pier, do you wish to speak?

**Deputy St Pier:** Yes, I will briefly at this point, sir.

3170 As indicated to Members the Department will not be opposing this amendment but of course it should be made clear that it does not mean that the Department supports the principle necessarily of micromanaging individual Departments' budgets. It is clearly a matter for Culture & Leisure to allocate the funding available to it in whatever it considers it to be the optimum manner in order to deliver its own mandate.

3175 And I think as has been said multiple times already during this debate and recently – and is going to be said many times again by me if not by others – one of the key issues that it is imperative that we tackle is the question of prioritisation. And when the States do consider strategies, which inevitably have resource requirements to implement, or the States recommend their provision of expanded or new services, consideration must also now be given to how these rank against *existing* services provided – not just by the Department or committee that is recommending them, but across the States as a whole.

3180 It is vital that additional money is only made available for expanding or existing services, or introducing new initiatives by reducing or ceasing some current services which are considered to be a lower priority.

**The Bailiff:** Next, Deputy O'Hara, then Deputies Sillars, Gollop, Lester Queripel, Green.

3185

**Deputy O'Hara:** Well what a shame the debate has started that way, because (**A Member:** Hear, hear.) I did not want to be too aggressive.

I maintain what I said on the radio, that Deputy Collins could have come to us two years ago, at least two years ago, and we could have perhaps worked together and done something. But it was left, in my opinion, a little bit too late.

As far as any policies coming from Culture & Leisure are concerned, well smell the coffee Deputy Collins because as a Department we have tried as best we can, to run the Department and not necessarily go for policies – bearing in mind the priorities that exist within our budget and within our Departments, especially within Health.

Now, sir, I understand perfectly well Deputy Collins' obvious passion with regard to sport. I share that passion and the passion is also shared by every one of my board members. The board would wish to let Members and the public know about this passion, and to emphasise the amount of time, effort and funding that is devoted to sport by the Department and its very hard-working staff. We have staff who work for *nothing* to put on sports jobs, sports events. Of course that passion also spills over to all the other aspects of the Culture & Leisure mandate, which I shall mention later.

So the Department's aspirational statement says:

'Culture & Leisure with all its facilities and staff has a key role to play in helping people live and maintain active lifestyles, making their lives enjoyable, and helping talented sportsmen and women realise their dreams.'

-[16:43:10]

We do that mainly through the Sports Commission – and members and staff are devoted to that Commission – to allow sport to organise themselves. It has, and continues to, work very well and goes from strength to strength.

Culture & Leisure via the Sports Commission provides a Sports Development Fund of £65,000 for travelling off Island, including a contribution to coaching and development; total applications are usually in excess of £250k per annum. A contribution of £41,000 towards the Sports Specific Development Officers who have a total salary bill of over £200,000. A payment of 50% of the costs for Island Games travel to Island Games – but not necessarily Jersey.

The Sports Guernsey budget is provided by Commerce & Employment through Culture & Leisure and this year it is £25,000 and applications also exceed £100,000; £10,000 per annum goes towards the Drug Education and Compliance Programme and we also supply offices for the Commission. Beau Séjour provides the Commission with £25,000 worth of free bookings every year so they can gain and raise monies. Sports loans to clubs are available at an interest rate of 5%; and a contribution towards the Commission management and administration salaries of £111,000. It is also worth noting the immense amount of contribution that the Department makes to sport with regard to its facilities and its staffing and administration costs.

At Beau Séjour we have, and maintain, a 25 metre public access swimming pool. The Sir John Loveridge Hall has the equivalent size of three five-a-side football pitches, and provides court facilities for the sports of basketball, netball, volleyball, five-a-side football, eight-a-side football, trampoline, artistic roller-skating, fencing, short tennis, badminton, table tennis, martial arts and archery. It also has a well-equipped public access gym and provision of personal training sessions, and over 60 fitness classes. There are public information displays for the Commonwealth Games, Island Sports Awards and the Island Coaching Awards, including a sporting Hall of Fame celebrating Guernsey's rich history of sporting prowess.

Beau Séjour Park also provides two grass football pitches providing venues for Saturday and Sunday leagues; a summer softball storm dust diamond and grass diamond pitch; five floodlit outdoor netball courts, all recently replaced, with the same venues providing tennis access through the year. A popular and well-used lawn bowling green is also maintained at the Park. Two grass pitches form the public park and so are used year round for many activities, whilst the children's play area provides a safe environment for many thousands of users. We also have the Jubilee Skate Park.

Delancey Park next, provides a lawn bowling green, one grass football pitch, a dedicated cycle track around the outside of the Park, a cross country athletics venue. Footes Lane, regarded as the



centre of Island sport, provides a grass rugby football pitch, synthetic running track, a full-size synthetic hockey pitch, an 800-seat grandstand. The stadium is the only site on the Island that meets the FA's ground grading requirements for use in the English League system. The synthetic running track is the only such surface on the Island and indeed the only international standard athletics track on the island.

3240

The Department also has responsibility to provide swimming at La Vallette, leasing out the Victoria Avenue Football Pitch to the Guernsey Football Association, plus coordination of the bookings for the Fort Le Marchant Shooting Range. In addition the Department also liaises with the Ministry of Defence and Air Traffic Control as appropriate with regard to that venue.

3245

*(Interjection)* Thank you.

With regard to the communication and coordination within the various sporting clubs and users on the Island, the Department has constant contact with the following clubs: Beau Séjour Swim School, the Barracudas Swim Club, Guernsey Swimming Club, Guernsey Netball Association, Guernsey Basketball Association, Guernsey Squash Rackets Association, Guernsey Volleyball Association, Softball Association, Phoenix Artistic Roller Skating, Guernsey Amateur Swimming Association... the list goes on.

3250

The Saturday and Sunday social soccer league has between them 19 teams with 285 participants. The Beau Séjour softball diamonds cater for 250 participants. I apologise for this lengthy list, but it is important that people realise just what we do. The Beau Séjour and Delancey netball courts cater for 250 members; the bowling clubs cater for 160 users. The Guernsey Extreme Sports Association attracts hundreds of users to the skate park. The comprehensive programme of the Guernsey Velo Club cycling event in Delancey Park: including mountain bike racing attracting around 60 bikers; racing criterium normally 40 riders; Junior Cycling racing attracting 170 cyclists. Delancey Park is also used by the Athletic Club for cross-country.

3255

At Footes Lane, Guernsey FC matches have average gates of 750, with the Guernsey Rugby Union Club averaging 400. The artificial turf pitch at Footes Lane is used mainly by hockey, with 500 regular participants and the pitch is also used for football training and training matches. The GICC use the athletics track mainly on Tuesdays and Thursday with as many as 150 to 200 using the track.

3260

The Department also encourages access to disability sport wherever and whenever possible, including hand cycle racing and wheelchair racing all at Footes Lane. Disability swimming provision is at Beau Séjour, plus an inclusive fitness initiative gym with equipment to suit disabled people.

3265

As I said before, I apologise to Members for reading out this extensive list. However, I wanted to emphasise the support and effort that the Department devotes to sport, both through the Sports Commission and also providing and maintaining sports facilities, plus involvement with the users and various sporting associations. The staff spend considerable hours and the Department spends somewhere in the region of £50,000 to £100,000 on facilities alone every year – and in some instances there are major projects, even in excess of that.

3270

I said at the start of my speech that I understood the passion behind the amendment. I understand totally the need to promote sport, which will result and benefit in a more healthy community in both mind and body. The Sports Commission has been advocating this since its inception. How do I know this? I was there at the start of the formation of the Commission in 2003, and served firstly on the shadow commission, and then the actual Commission in 2004, when it came into force through the new machinery of Government changes of that time.

3275

I was there when sporting organisations were persuaded to move over from the then Sports Council to the Commission. It was a new and brave move at that time, spearheaded by Stewart Falla and his committee, aided by a vast amount of work carried out by the then Recreation Committee, followed by the Culture & Leisure Department. It was, and remains, very successful and has provided a sound base for sports development. Indeed the model has been adopted to other commissions both here in the Island and other jurisdictions.

3280

3285

3290 Even in these early days the Commission recognised sport as being beneficial to health and other areas, such as Education and Home. Efforts at that time were made by the Commission to obtain proportions of Departments' budgets to allow the Commission to endorse health benefits – however, these did not come to fruition. There was, however, one light at the end of the tunnel and that was the gaining of monies through the budget of Commerce & Employment to promote sports tourism.

3295 Whilst not wishing to blow my own trumpet – (*Laughter and interjections*) yes, I am sorry, it's taking a long time. I had set up sport tourism when serving on the Tourist Board between 2001 and 2004, and the idea behind this was to promote tourism. However, the spin-off gave the opportunity of sporting organisations to promote their sport at national and international level through the competitions that took place within the Island. The grant at that time amounted to £100,000 divided equally between land and nautical sports. It, together with other tourism vehicles were managed through the Events Group which was also formed in 2004.

3300 It was very successful, through until 2009 when FTP started to initially raise its head resulting in some slight reductions in budget. That reduction has gradually continued to the present day. But that is important because we have all had to meet those necessary savings if we are all trying to achieve what is beneficial for the Island and trying to get back to where we were before. Monies are still transferred across from C&E, for which Sport is very grateful.

3305 What I am trying to describe here is that apart from the C&E transfer, there has been no funding from any other Departments. Is this right? Of course this is exactly what Deputy Collins is advocating. There should be a realignment of budget to allow sport to play its part in providing a more healthy and prosperous community. Prosperous in the fact that sport is an economic enabler – it does generate income. And Deputy Collins ably explains this in his excellent detailed amendment. I have been fortunate enough to head several organisations involved with sport, which have all demonstrated an economic return through the physics of sports, and indeed when I headed sport tourism with the Events Group we had statistics to prove this point. Sadly, we do not push sports tourism enough and we should be doing exactly that.

3315 Now, over the last six or 12 months the Department has been criticised for not increasing its budget to support sport. I would hope that my previous remarks make it clear that we do support sport in many areas. Could we do better? Well of course, we can always do better. We would have liked to have increased support not just to sports, but to *all* our areas that we are involved with – not just sport, it is everything that we are involved with. We all know the immense pressures that all Departments have been placed in under the FTP process. Our Department was no different in having to face the challenges of making savings, and I would like to think that we played our part.

3320 As I said before we started to feel the FTP pinch round about 2010, and could we have asked for more budget then? Of course we could have done so. But realistically the board felt that this would not have been regarded as a priority. Another factor was that the Sports Commission... important this, the Sports Commission never asked for an increase in budget. Therefore we did not progress or increase the budget. We did not progress an increment in budget because we were never asked. I am not blaming the Sport Commission, they took the responsible position like ourselves, that funds simply would not have been forthcoming, bearing in mind the enormous pressures on health and other pressing budget requirements.

3325 Of course the Sport Commission would welcome additional funds – who would not? Indeed the letters attached to Deputy Collins' amendment, understandably, would all relish an injection of funds. As I said, who would not? We would all welcome more funds.

3330 I have been asked why have we not conducted a review on sport and why has this only just come up now. These are not easy questions to answer. Firstly, why have we not conducted a review? As regards sport, we have always tended not to interfere with sports and left it to the excellent officers of the Sport Commission. We meet with the Commission on an annual basis when they provide the board with a full review of their activities and future aims. It has always been satisfying to hear of their successes and targets. We have always been left with the

impression that sport is doing well and in good hands. They have never asked for additional budget. We therefore had no reason to promote sport.

3340 That does not mean to say that we are not interested in doing so and perhaps we could have. Perhaps we could have been a little bit more proactive. However, balancing priorities and budgets, with the other activities we support would have proved very difficult and, as Deputy Collins said, robbing Peter to pay Paul. That does not mean to say we have turned a blind eye to the concerns that have been expressed, both through the media and from other people. We have always  
3345 looked to meet with those sporting organisations to establish how we could work together to assist them if possible, and this could be in the form of facilities or matched sponsorship. Matching sponsorship was previously quite successful. However, in these days of austerity it has become increasingly difficult.

The amendment is divided into two Propositions. The first Proposition asks that we do – this is  
3350 a brief version – everything reasonably possible to increase our funding for sport when allocating our 2016 budget... 'reasonably possible'. Now, for us to do that, it is not impossible but it places the Department in a very difficult position. Budgets have already been substantially reduced leaving us literally with no wriggle room at all, and to enable us to assist sport without reducing the funding to other areas, such as the arts, heritage, language etc. – do you think that is fair?  
3355 Someone has to lose out. Well I do not think that is fair. They all have a big part to play in our community. In this instance with Proposition 1, I would therefore ask that you reject this first proposal and ask, sir, that you allow individual votes on both Propositions.

Now, the second Proposition is totally different. It is asking the committee for Education, Sport  
3360 & Culture – the new committee – to provide a comprehensive sports strategy no later than July 2017 with all necessary funding requirements, etc. I believe there is a need for a sporting review – but it is not that simple. The States can certainly instruct us to do that and I am sure I cannot speak for my colleague to the left here, but I am sure it is something that we could look at. But there will be costs involved with that, to everyone, not just to the new committee but all the other committees, because we will have to come to you, in order to have a fully comprehensive review.  
3365 It will take some time to do it. The July 2017 gives us about 12 months to do it, I guess, so it is not impossible.

I do believe that we do need a strategy and I do believe that Deputy Collins is right in bringing it to the States. As I said before I wish we had got together with him beforehand. So I agree totally with Deputy Collins and Fallaize and I would ask you to support that particular part of the  
3370 amendment. Thank you for your patience.

Thank you, sir.

**The Bailiff:** Deputy Sillars.

3375 **Deputy Bebb:** Point of order.

**The Bailiff:** Deputy Bebb.

**Deputy Bebb:** I would like to move the motion 14(1) that debate be closed immediately.  
3380

**The Bailiff:** Right, there is a request that –

**A Member:** Is it the guillotine?

3385 **The Bailiff:** Yes, a request to invoke the guillotine and I must immediately put that to the vote and if the majority of Members voting support it then I think because the Minister of Treasury & Resources Department has already spoken, debate will simply be closed by the mover of the amendment.

So I put to you that debate be closed immediately. Those in favour; those against.

*Some Members voted Pour, others voted Contre.*

3390 **The Bailiff:** I think the *Contres* have it, if anybody wishes to challenge that then we will go to a – Deputy Lester Queripel?

**Deputy Lester Queripel:** I was going to ask for a recorded vote, sir.

3395 **The Bailiff:** – recorded vote. Recorded vote then on the guillotine motion that debate be closed immediately.

So if you vote *Pour* you are voting to end the debate, if you vote *Contre* you are allowing the debate to continue.

*There was a recorded vote.*

3400 **The Bailiff:** I believe that is lost but I guess I should pause just for the formal... Or Deputy Bebb are you happy to accept that that vote was lost. (**Deputy Bebb:** Oh, yes.) In that case, I was going to call next Deputy Sillars.

Deputy Sillars.

**Deputy Sillars:** Thank you, sir.

3405 This amendment is about sport, so I will be not talking about the arts and all the other areas – of course, Education does support these. So, then back to sport. I believe I heard Deputy O'Hara say no support for sport other than the Department's. (**Deputy O'Hara:** Financial support) Okay. I will carry on explaining why that is not correct.

3410 I am pleased to support this amendment as I recognise the value that sport plays across the whole community. Within the schools sport has the unique ability to make a substantial contribution to the wellbeing of all students. It can provide exhilarating, fulfilling experiences for all. That includes those pupils who compete at the highest level such as the 30 or more school-age pupils who represented our Island so admirably in the 2015 NatWest Island Games, through to those who, for example, participate in the 500-plus lessons of physical education that are taught weekly in all our schools.

3415 This amendment will ensure that a community-wide approach is taken to ensuring a strategic position on the role of sport in Guernsey. Such an approach is important because one of the successes in Guernsey sport has been the development of across Island partnerships. Schools are especially appreciative of the links with a wide range of sports clubs and partnerships in the sports community beyond the school and the role played by the Sport Commission. In particular, in the recent Education Department inspection it was recognised that a key strength is, and I quote

'Strong partnerships with other external agencies such as the Sports, Arts and Youth Commissions, support agencies and the third sector.'

3425 Although States' funding plays a part, it is also incumbent on all our sports clubs and organisations, to make their own contributions to sports development. There is ample evidence that this already happens. The recent example of the Commonwealth Games Association securing significant sums of corporate sponsorship to assist the team attending the 2018 Commonwealth Games exemplifies this approach.

3430 A strategic response is welcome but we must ensure that this aligns with other exciting initiatives that are being planned for sport and physical activity over the next 18 months. Reducing physical inactivity will be a key theme in the proposals for the Healthy Weight Strategy. The Children and Young People's Plan will seek to give children and young people the highest possible standards of physical and emotional health, and to lead active lives that promote their long-term health.

3435 Schools continue to embrace the active curriculum where students are encouraged to see being active as a regular normal activity. Examples include increased outdoor activities as part of the primary curriculum. Over the next few months as part of our review of the Guernsey Curriculum, the Education Department will revisit and refresh its policy on physical literacy. The likelihood of an Island Games in Guernsey in 2021 will harness an appetite for sport and developing high level performance.

3440 The Education Department is aware of the key role played by education establishments in promoting sport and healthy lifestyles. In particular, physical education staff and the experience of PE lessons are key influences on young people's attitudes to sport, both negative and positive. The Education Department remains committed to ensuring that young people have the opportunity to become active and to learn habits that will last a lifetime. It is aware that the curriculum time is precious but it believes that as the active curriculum becomes embedded in all aspects of school life, this will have a positive impact in making young people active.

3445 Guernsey schools are validated by external inspectors who observe lessons, talk with pupils and look at the school records and documentation, such as pre-validation questionnaires. In particular physical activity is monitored under the theme 'How well do young people learn and achieve?' Three schools have been validated in the current round of validations and it is reassuring to have received positive statements that demonstrate those schools commit to sport and physical education. The Report for Haute Capelles commented:

'Across the school, staff make very good use of the outdoors, including the wider local environment, to make learning exciting.

... Many children achieve sporting success within their school community and across the Bailiwick. Recent examples of their achievements include the girls' and boys' football teams and the netball team, who are each the island team champions for 2015.

Children across the school are clear about the benefits of healthy eating and exercise. They receive regular physical education lessons and staff make good use of the outdoors to enhance their learning. There is a very good range of sporting after school and lunch-time clubs and the uptake of these is high.'

I will not read all the schools out because time is running away, but St Sampson's are very similar, Le Murier they said as well.

3455 Now, I just want to touch on Alderney, because in Alderney – (*Interjection*) St Anne's – from a school perspective they have a similar provision as other schools, they have a PE specialist teacher who works in the primary school and secondary phase. They do face problems because they do not have the numbers to compete in team games, but they do make use of their local environment – for example, they are leaders in sea-swimming provision. The Sports Commission does not include Alderney, but certainly sports through the Sports Development Officers we will try and support. Travelling off Island to compete is always a problem for Alderney but there have been individual cases where children have been given the opportunity to compete alongside Guernsey children – this has happened in football and table tennis recently,

3460 The Education Department recognises the value of sports and concurs sport can change lives. Sport can play a significant and positive role in physical, social and psychological development in the lives of children. We also acknowledge that PE and sport can have a positive experience on an individual's educational achievement. Schools know they cannot focus simply on those who enjoy and excel at sport. This strategy must also address how we support and engage with the significant number of young children, and adults, who are not engaged in physical activity.

I do support this amendment.

3470

**The Bailiff:** I had indicated that – Deputy O'Hara, you have got a point of order?

**Deputy O'Hara:** Yes, sir, I just want to, if I may... just a point of information.

3475 I would just like to apologise to my colleague here, that when I said 'support' I meant to say financial support. We are talking about not just support, there are a lot of people in the States who support it. I was talking about financial support and I apologise.

**The Bailiff:** I had indicated I would call Deputy Gollop first, he is very quick to stand. Do you still wish to speak Deputy Gollop?

3480 **Deputy Gollop:** Yes, because I probably could have benefited from the healthy eating and sport that Deputy Sillars has pointed out.

We have heard today of... what was it? The most depressing amendment, the most opportunistic amendment, the most dangerous amendment. I think this is the most *radical* amendment of them all. This is absolutely a firecracker of an amendment. *(Laughter)*

3485 It will burn and burn, and we will never forget this day. *(Laughter)*

I am pleased Deputy Domaille is here too because it goes back to the work streams we did on Scrutiny all those years ago... because it is in two parts this amendment. I can easily support the second part, but I have more problems with the first – and I will explain why.

3490 Proposition 33 of agreeing Education, Sport & Culture by 2017, that is a rather generous date because it implies almost two years from today, and by the time any of its proposals are implemented we are looking at 2019 – but it is still a good idea. A comprehensive sports strategy is just what the new Department will need, and how it works in together with other Departments and to see where they are going with their combined responsibilities – and that will be useful. It will be useful as part of the next stage of the schools development as well.

3495 But, I have a problem with 32, new Proposition 32, because it directs the Culture & Leisure Department who will not, we assume, exist in more than five months' time, in their present form:

'to do everything reasonably possible to increase the funding it provides for sport when allocating its 2016 budget given that there is a pressing need to increase public investment in sport;'

3500 Now, we would argue, rightly, we punch above our weight in sport. Guernsey could be called the sporting Island... enormous successes in many fields. What this amendment is trying to do is to get the Assembly to subtly re-prioritise internal departmental expenditure. There is an implication here that they would wish more money to go to sport out of maybe heritage, arts, Beau Séjour – whatever. I think that is implicitly within this, because if you are doing everything reasonably possible to increase the funding, it means looking across your overall departmental budget and re-prioritising and recharging.

3505 We have not got the information today on where we should go with arts, museums, heritage and all the other areas, and we are not even clear on how they will fit in to the new system. So, I have got concerns about that.

3510 I have also got concerns as to why we have had... I commend Deputy Collins for the work he has done with the sports organisations, the research... he has had impressive support from leaders in sport, business leaders, sports writers and so on. But the material he has come up with suggests that sports funding has stayed static – but isn't more the critique of the Sports Commission model which was always, like other commissions, based upon a myth that lots of people in the private sector would come forward, and they have. Is he questioning that? Is there an implication that we should have a big Government approach to sport? I am not sure of the answer to that.

So, I have got reservations about the first part of the amendment.

*Rule 14(1):*

*Not carried – Pour 10, Contre 33, Ne vote pas 0, Absent 3*

**POUR**

Deputy Conder  
Deputy Bebb  
Deputy St Pier  
Deputy Stewart  
Deputy Le Tocq  
Deputy James  
Deputy Adam  
Deputy Perrot

**CONTRE**

Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Lester Queripel  
Deputy Gillson  
Deputy Le Pelley  
Deputy Ogier  
Deputy Trott

**NE VOTE PAS**

None

**ABSENT**

Deputy David Jones  
Deputy Laurie Queripel  
Deputy Wilkie

Deputy Quin  
Deputy Kuttelwascher

Deputy Fallaize  
Deputy Lowe  
Deputy Le Lièvre  
Deputy Spruce  
Deputy Collins  
Deputy Duquemin  
Deputy Green  
Deputy Dorey  
Deputy Paint  
Deputy Brouard  
Deputy De Lisle  
Deputy Burford  
Deputy Inglis  
Deputy Soulsby  
Deputy Sillars  
Deputy Luxon  
Deputy O'Hara  
Deputy Hadley  
Alderney Rep. Jean  
Alderney Rep. McKinley  
Deputy Harwood  
Deputy Brehaut  
Deputy Domaille  
Deputy Langlois  
Deputy Robert Jones

3515 **The Bailiff:** I must announce the formal result of the vote on the guillotine motion under Rule 14(1). There were 10 in favour, 33 against. So I formally declare the guillotine motion lost.

Deputy Lester Queripel was also very quick to stand at the beginning and I indicated I would call him. If you are going to be able to finish by 5.30, Deputy Queripel?

3520 **Deputy Lester Queripel:** Thank you, sir.

Yes, sir, about six minutes – (*Laughter*) well within the timeframe, sir.

I applaud Deputy Collins for all the work he has done – he is obviously passionate about sport, and many of us are of course. But I am somewhat confused by the first Proposition of this amendment for a number of reasons.

3525 The first one being that it reads more like a vote of no confidence in the Culture & Leisure Department. (*Interjections*) It *infers* that the Department do not do everything possible to try to increase funding for sports.

So the first question I have for Deputy Collins, sir, is this: if he does not have any confidence in Culture & Leisure why did he not lay a vote of no confidence? (*Interjections*)

3530 Second question: does he have any proof that the Department are not already doing everything possible to increase funding for sport? My second question relates to the terminology itself in the amendment because the term 'reasonably possible' is somewhat subjective, to say the least. So I would like Deputy Collins to explain his definition of the term 'reasonably possible' please, when he sums up – because his definition of the term might not necessarily be the same as the Department's definition.

3535 Did he actually ask the Department what their definition of the term 'reasonably possible' is, and if so can he tell us what they said please. I ask that because I trusted – and indeed I still do trust – that the Department already put as much funding as they can into sport. But to broaden that out just a little, if this amendment is successful how would Deputy Collins actually know that the Department have increased their efforts to do all that they can to increase the funding for sport? What criteria will be employed to determine that?

3540 We are also told in the amendment that there is a pressing need to increase public investment in sport, so I would like clarification on that terminology as well, sir, please. One could simply assume that means public participation due to concerns regarding the levels of obesity here in the Island – but I would rather have clarification rather than assume.

3545

3550 Like Deputy O'Hara and Deputy Gollop have already mentioned, I have a real concern that in order to be able to increase funding for sport the Department will be forced to cut the budget somewhere else. I do not want to see funding for sport increased if it means that funding for the arts is reduced. And just in case any of my colleagues are perhaps wondering why I did not lay a similar amendment to increase the funding for the arts, the answer is I did not feel it necessary because I trust the Department.

3555 Sir, I have been involved in sport in the Island for most of my life – in fact the whole Queripel family have been involved in all sorts of sports in the Island for decades, and we continue with my son Blane having played football and cricket for Guernsey on several occasions. Perhaps I am not the best example of someone who has a passion for sports since I am currently wearing a wrist brace and using a walking stick, due to being a victim of foul play (*Laughter*) in the sporting arena. (**A Member:** Shove ha'penny) A dangerous sport, sir.

3560 What I would like to do is just read out a short of Guernsey people who have made a sporting career for themselves in the international arena. And I want to do that for two reasons: number one, because we the people of Guernsey should be proud of those sportsmen and women, and number two because almost every time their names are mentioned in the media in the international arena, so is the name of Guernsey – and that means in a very real sense they are ambassadors for the Island. Starting with Andy Priaulx, three Times Touring Car World Champion; Martine Le Moignan MBE world squash champion; Lisa Opie MBE world squash champion; Adrian Breton, Commonwealth Games gold medal winner, pistol shooting; Alison Merrien, world bowls champion; Matt Le Tissier, played football for Southampton and also won eight England caps; and finally Heather Watson, who until recently was the British – (*Interjections and laughter*)

3570 Sir, there are many others I could have mentioned. So Guernsey does perform remarkably well in the international sporting arena. And if we want our sportsmen and women to be able to continue to compete at the highest level then we have to give them as much support as possible.

My understanding, sir, is that Culture & Leisure already do that – or as much as their budget allows them to do anyway. Also as we know sport, like the arts, builds bridges between people and it builds bridges between nations. Once again my understanding is that Culture & Leisure do their utmost to build those bridges.

3575 So in closing I will be voting against the first Proposition because it runs the risk of cuts having to be made in other areas of the Department's budget. The second Proposition merely asks for a report to be presented to the States setting out a comprehensive sports strategy and I certainly resonate with that, so I will be voting in favour of Proposition 2.

Thank you, sir.

3580 **The Bailiff:** Does anyone wish to make a short speech? We really must finish sharp at 5.30 to enable the Chamber to be made ready for the investiture later.

Deputy Burford, then.

3585 **Deputy Burford:** I will just start off with a very brief point of correction to Deputy Collins. Neither paid parking, nor free buses, were part of the proposals designed to increase active travel, when Deputy Collins was one of only eight Members to vote against the Transport Strategy funding in July.

3590 On the actual amendment itself, sport is obviously very important but I do share Deputy O'Hara's concern about the impact that part 1 may have on art and culture from a limited pot in Culture & Leisure's budget.

So I am going to be unable to support part one of the amendment.

Thank you.



**The Bailiff:** Anyone else? Yes, Deputy Brehaut.

3595

**Deputy Brehaut:** I will be very, very brief...

Firstly, I am glad to see Deputy Collins being active and welcome him emerging from his dormant phase to place this amendment. (*Laughter*)

3600

Very, very quickly... sport and politics have a fascinating and interesting history. I remember apartheid being actively promoted through sport. Sport has such a significance in community that sport is used to promote normality and it happened under the apartheid regime that is was seen that awful behaviours were normalised because there were sporting links with outside nations.

3605

I was then bitterly disappointed to find, I believe, it was the Guernsey Bowling Association had a presence in Israel recently and raised the Guernsey flag. Deputy Collins explained that their near neighbours are not too sympathetic with playing bowls with Israel and we can understand why – if Hezbollah entered a bowling team that would be a fascinating experience, I am sure. I raise this very serious point close to home because it happened.

3610

If we are talking about the States funding sporting organisations, if we look at the debate on the Transport Strategy the GFC had their manager holding placards asking States' Members to throw out the Transport Strategy, it had players holding placards and on GMTA literature saying 'Throw out the Strategy', 'Don't support this Transport Strategy' – and to have sportsmen and women politicised in that way was wrong. If Government is going to give money to sporting organisations then it is best that they stay out of politics.

3615

Also what you have to avoid with sport is rank elitism, unfortunately, because it is about staying active *throughout your lives*. How often do you see 18, 15, 16, 20-year-old men and boys playing football watched by the manager from the stands who clearly has not taken part in any sporting activity for a considerable period of time. So it is about remaining active beyond sport.

3620

Also a fascinating book I read recently by a chap called Matthew Syed – the book is called *Bounce*, and he builds on a theme laid down by Malcolm Gladwell which talks about the 10,000 hour rule. In other words 1,000 hours practice a year at just about anything over a 10-year period makes you proficient. So when we talk about – (*Interjection*) well there you go.

3625

But if we talk about the Williams' sisters, their father stood at one end of a tennis court throwing tennis balls at them for so many hours a day they became proficient, they became absolutely... they excel in that sport. Then the question is, is it talent or is it sport? And there is an argument to be had there because, personally, I do not believe that darts is a sport, I think it is a game of skill. I do not think bowls is a sport, it is a game – (**Several Members:** Ooh!)

Sorry, sorry. (*Interjection*) Well I think chess is not a sport, it is a skill.

3630

So, if we are going to support children being active and remaining active, do not make it elitist through sport, because what it would do is it would define a period in their lives where they were active in doing something, they were selected for the school team, they did this then they moved on and they did what? So it is maintaining activity beyond sport.

3635

I do have to say to Deputy Collins, if he would have read the Transport Strategy in great detail there were many, many elements that supported the arguments he is placing here today. I walked through that crowd and it was not a particularly nice experience. Deputy Collins was holding a banner saying 'Some of us still care'.

We all care, Deputy Collins, we care about the health of the community and it is *not* about putting the effort in when people are at a certain age, perhaps school age, it is about remaining active throughout your life.

Thank you.

3640

**The Bailiff:** We will rise now, can I remind Members to take with you your stuff, and you will resume tomorrow at 9.30 a.m. when the Deputy Bailiff will be here.

*The Assembly adjourned at 5.32 p.m.*