



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Thursday, 31st January 2019

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Present:

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

Law Officers

R. M. Titterington, Q.C. (H.M. Comptroller)

People's Deputies

St Peter Port South

Deputies P. T. R. Ferbrache, J. Kuttelwascher, D. A. Tindall,
B. L. Brehaut, R. H. Tooley

St Peter Port North

Deputies, J. A. B. Gollop, C. N. K. Parkinson, L. C. Queripel, M. K. Le Clerc,
J. I. Mooney

St Sampson

Deputies L. S. Trott, J. S. Merrett, G. A. St Pier,
T. J. Stephens, C. P. Meerveld

The Vale

Deputies N. R. Inder, M. M. Lowe, L. B. Queripel,
J. C. S. F. Smithies, S. T. Hansmann Rouxel

The Castel

Deputies R Graham L.V.O, M. B. E, C. J. Green, B. J. E. Paint,
M. H. Dorey, J. P. Le Tocq

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. Yerby,
D. de G. de Lisle, S. L. Langlois

The South-East

Deputies H. J. R. Soulsby, H. L. de Sausmarez, P. J. Roffey,
R. G. Prow, V. S. Oliver

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and A. Snowdon

The Clerk to the States of Deliberation

Ms C Foster (H.M. Deputy Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Procureur);
Deputy M. P. Leadbeater (*relevé à 11h 28*); Deputy P. R. Le Pelley (*indisposé*);
Deputy M. J. Fallaize (*relevé à 09h 56*);

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Deputy Greffier

EVOCATION

Billet d'État I

STATES' TRADING SUPERVISORY BOARD

II. Alderney Airport Runway Rehabilitation – Debate commenced

Article II.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Alderney Airport Runway Rehabilitation' of the States' Trading Supervisory Board, they are of the opinion:

- 1. To approve Option 3 as the 'preferred option', to restore the existing pavement surfaces to provide a more lasting life for the runway, including re-widening and other improvements, as the option which optimises public value, following a detailed appraisal, as set out in the Policy Letter and in particular, in paragraphs 5.6 to 5.23.*
- 2. To approve an increase of a maximum of £460,000 in the existing capital vote for the Alderney Airport Project funded from the Capital Reserve, to fund all necessary steps for the development of the design stage and proposals for the procurement of Option 3, as set out in paragraphs 7.1 to 7.2 of the Policy Letter.*
- 3. Subject to the Policy & Resources Committee's approval of the Final Business Case, to direct that Committee to increase the existing capital vote for the Alderney Airport Project, funded from the Capital Reserve, to a maximum of £12.2 million to fund the construction of the runway pavement rehabilitation scheme, in accordance with Option 3, including the design stage, professional fees and contingencies.*
- 4. To rescind Resolutions of the States at Article 6, Billet XXVI of 10th December 2014, 4(b) and 4(e) in relation to the potential proposals to hard surface the grass runways at 14/32 and 03/21.*

The Deputy Greffier: Billet I, Article II, States Trading Supervisory Board – Alderney Airport Runway Rehabilitation.

The Bailiff: The debate will be opened by Deputy Ferbrache.

5

Deputy Ferbrache: Thank you very much.

Sir, the mandate of the States' Trading Supervisory Board is specific and this policy letter has a limited but very important purpose. Alderney Airport runway is in need, in fact of desperate need, of substantial works, and the old adage 'penny wise and pound foolish' could be applied if these proposals are not accepted.

The Airport is a vital part of the infrastructure and way of life of the residents of Alderney, and Alderney in the opinion of the board – and it should be in the opinion of every States' Member – is an important, an equal, part of the Bailiwick.

In common parlance one of the responsibilities of the STSB is to ensure that Alderney has a safe, reliable and fit-for-purpose Airport, and you cannot achieve that without a runway that is also fit for purpose.

Now the STSB, pre- my association with that board, sought independent advice from York Aviation, and Members will have seen their report dated January 2017. Now things do take a time with the States and we are now considering that in January 2019 – a mere two years, I suppose it is a sprint really in relation to some of the matters that the States deals with, but it is still equally pertinent today as it was two years ago. That report, 90 pages of substance with an executive summary and various appendices, makes it very clear that the Alderney Airport runway is really in need of the repairs that are sought and the Option 3 is the favoured option with an expenditure of £11.63 million which together with professional fees equates to approximately £12.2 million. That is a lot of money and undoubtedly it is a matter that the States will consider seriously. But it is an absolutely essential piece of expenditure.

Now as the Members will have seen, sir, from Appendix 3, we have letters from the Chairman of the Policy & Finance Committee in Alderney, and that letter was dated 28th October last year and that made it very clear indeed that the Alderney authorities, cognisant as they were of the needs of their constituents, were very supportive of these proposals.

Now because there was an election in Alderney post-October of last, the STSB went back to the Alderney authorities to say, 'Because there has been a bit of change in at least part of the make-up of the States of Alderney have your views changed?' We were very clearly and politely told there had been no change of views, and indeed I spoke to Mr Dent at some length recently and again he has confirmed that they are very supportive of these proposals.

You will also have seen the letter from Deputy Parkinson as President of the Economic Development Committee and I was going to see he is in the unique role of being both President, at times, of the STSB and the Economic Development Committee, but I forgot that I was also President of those at different times as well. We share the same history, albeit at different times.

Also the letter from ... and I would like to quote from this for Deputy Dorey as Vice-President of Environment & Infrastructure, because he sums up the purpose and the need for these proposals to be accepted in two paragraphs in his letter and he says this on behalf of his Committee in a letter dated 31st October 2018:

In short the Committee is of the view that the current runway is at the end of life and the preferred way forward, Option 3 is both essential and timely. Indeed it is critically important that this project is commenced without delay. Following on from this the Committee notes that the existing runway was last resurfaced in 1999 with an expected life through to 2011-14. It is understandable therefore that many in Alderney are concerned with the lengthy period of time to progress what is in effect a straightforward capital replacement project. The Committee therefore would hope the Policy & Resources Committee internal processes will, in the future, be proportionate.

So again, absolutely clear support from three relevant bodies as to the need for these particular works.

Now you will note that the Alderney runway has a length of 877 m and there was much discussion over a period of time as to whether it should be increased to 1,100 m. Now in connection with that, the decision has been shown that York Aviation, and indeed considerations of the board of which I am President, make it very clear that there cannot be any kind of sustainable business case to recommend to the States that there be expenditure of £19 million, £26 million-plus in case of Options 5 and 6 which talk about Option 5 is extending the runway now, Option 6 is extending it sometime in the future; because in addition to the extra capital costs

of £8 million or £15 million or £16 million, depending on which option you choose, you would have extra security measures which would cost an additional £2.3 million. The public purse of the Bailiwick is not sufficient for us to be able to recommend to the States to choose either or both of those – well, either of those options.

Sir, the review of the proposed options is at paragraph 5 of the policy letter, the investment objectives are at paragraph 5.1, and there is a review, or the essence of the review, and the appraisal of the options is set out in 5.2. Three were short listed. i.e. Option 3, Option 5 and Option 6. As I say, Options 5 and 6 are for the increasing of the length and the width of the runway significantly.

Now in connection with those if we could just consider that we are following on from, at paragraph 2.2 of the policy letter, a Resolution of the States of December 2014. Now at one time it was considered that perhaps the grass runways should be – they themselves should be tarmacked and that would involve significant extra cost. Because of the planes that currently use them, because of the make-up of the Airport, and because of the needs of the Alderney community, it was concluded that that would be an unnecessary expense.

So what is seen and what is properly detailed in the York Aviation Report and in the other documents that are before the Members of the States is Option 3, which is a resurfacing, which is adding drainage, which is adding lighting, which is extending the runway back, because it was reduced from 23 m in width to 18 m in width in 2014, so it is restoring it back to that.

Now of course people may say, 'Well, why make this decision now?' Well, the answer is you have got to make it now, in my most respectful submission to the States' Members, because there has been enough delay. As Deputy Dorey said in his letter written on 31st October, it has taken too long anyway – I am summarising the words that he put in the two paragraphs that I read from his letter.

York Aviation – well, I found it was almost a piece of social history of Alderney over the last 20 or whatever years. I thought it was a truly excellent report. It indicates the decline that there has been in air travel in Alderney over the last 27 years. If I remember all these little figures, the graph when it was at its peak was probably in 1990. Now what has happened over a period of time is that there has been this decline.

But the Airport is the lifeline for Alderney and the States – this States, just I think last summer, was it July? – decided that the Alderney-Guernsey route was a lifeline route, it was an essential route for Alderney, for both its tourism, for both its menial purposes, for its residents getting on and off the Island. So we have already made a decision that Alderney should have a fit-for-purpose Airport, and you can only have a fit-for-purpose Airport if planes can get to and from it.

There is also a diagram again in the York Aviation Report which shows that for an 877 m runway, which is the current length of this runway, you can only have certain types of planes, and that would accommodate any kind of plane that is likely to be used on this route, either currently with the Dorniers or whatever may happen, and I am not part of that process as regard the PSOs. The result of that, I imagine, will be given as to who the successful applicant is in the next few months.

So whatever happens it is an 877 m runway and it will only accommodate certain types of aircraft and the types of aircraft, as I say, are the ones that are currently using it or a variant thereof. So there is no need to wait to say, 'Oh, well, let's wait a few months, see what happens with the PSO, see if we are going to get something else,' because it would still be the similar type of aircraft to those currently using the route.

The executive summary of the York Aviation Report, I am not going to read it all but the executive summary in the last paragraph of the Executive Summary, says this at paragraph 10:

In the light of the concerns about service reliability and resilience, it appears to us important that the refurbishment works (Option 3) are undertaken as soon as possible lest further delay, whilst the provision of an extended runway is deliberated, leads to ... more occasions when the runway is not operationally fit for aircraft to land, resulting in further economic damage. We also recommend that consideration is given, as a matter of priority, to the imposition of a PSO ...

100 Well, we know that that decision has since been taken since January of 2017.
So there you have it, it is a very easy decision really. Logic is on the side of Option 3; the facts are on the side of Option 3; the experts are on the side of Option 3; and the other interested parties are also both interested but objective and dispassionate ... are also in favour of Option 3.

105 So I do not think I need to say any more. Hopefully it will be a very short debate and then there will be unanimous acclamation and support in respect of Option 3.

The Bailiff: Well, Members, there is an amendment that has been circulated; the name of debate on it is 'Policy & Resources Committee's policy letter on the Alderney Airport Runway Rehabilitation', which I take to be an error because I have not seen such a policy letter, but if we amend that I invite Deputy St Pier to lay the amendment.

Deputy St Pier: Perhaps I will ask the Greffier to read it first.

115 **The Bailiff:** Okay. Just the amendment not the explanatory note, I take it?

Deputy St Pier: Yes.

[Amendment:](#)

To replace proposition 3 with:

"3. To delegate authority to the Policy & Resources Committee:

a) To review the Full Business Case to be prepared and submitted by the States' Trading Supervisory Board for the runway pavement rehabilitation scheme, in accordance with Option 3, with the review considering the overall value for money of the scheme and the ongoing financial obligations for Guernsey to Alderney (including the maintenance and replacement of the runway pavement) following the review of the relationship between the islands; and

b) Following its approval of the Full Business Case, to increase the existing Capital Reserve vote for the Alderney Airport Project, to a maximum of £12.2 million to fund the runway pavement rehabilitation scheme."

The Deputy Greffier read the amendment.

The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you.

120 Sir, in opening the debate on this amendment I should start by saying that the States' Trading Supervisory Board bear no criticism, they have absolutely done their job in relation to this issue and in bringing this policy letter to the States.

125 This issue has dragged on for a considerable period of time. Deputy Ferbrache in his speech referred to the York Aviation Report, I think, in January 2017. Well, of course this project has been part of the Capital Portfolio since 2013 which is a mere six years, which by Deputy Ferbrache's definition I do not know whether that is a sprint or a jog, I am not quite sure which but it is a considerable period of time that this issue has taken to come to this point.

As I say, the Policy & Resources Committee do as we have said in our comment in the explanatory note at the bottom of page two of the explanatory note:

The Policy & Resources Committee wholeheartedly commends the structured and systematic approach to the development of detailed expenditure proposals through the use of a business case. Such an approach should ensure that all options are carefully considered, resulting in a preferred option which best meets strategic objectives and represents value for money, notwithstanding that the preferred option may not be the least cost [option].

130 We go on to say:

Given the lack of a comprehensive options appraisal on Alderney connectivity, and while the Committee acknowledges that the proposed solution offers best value in terms of the options for refurbishment of the runway ...

So the STSB have very much done their job in identifying that:

... it has not been not possible to assess whether the proposed option provides the best value for money overall.

That provides the rationale for us considering it appropriate for us to lay this amendment. However, before going further I think it is worth explaining what this amendment does do and what it does not do, because I think some of the media comments in the few days since this amendment was published have seemed to suggest that this is seeking to stop this project in its tracks. Quite the reverse, this very much keeps it on track and in order to demonstrate that I would ask Members to turn to the Propositions in the STSB's policy letter. I am afraid I do not have a page number in the Billet but it is 118 of the electronic version – but at the front of the policy letter. The first Proposition that the STSB are asking us to approve is:

135

1. To approve Option 3 as the 'preferred option', to restore the existing pavement surfaces to provide a more lasting life for the runway, including re-widening and other improvements, as the option which optimises public value, following a detailed appraisal, as set out in the Policy Letter ...

140

Our amendment does not challenge that, we are not seeking to amend that, and it would stand as is presented by the STSB.

Proposition 2 then goes on to say:

To approve an increase of a maximum of £460,000 in the existing capital vote for the Alderney Airport Project funded from the Capital Reserve, to fund all necessary steps for the development of the design stage and proposals for the procurement of Option 3 ...

145

Our amendment does not alter that Proposition either so the funding that is necessary would still be available to enable the project to proceed. What this amendment seeks to do is to amend Proposition 3, but I think it is important to draw attention to the way Proposition 3 is currently drafted, which is at its opening:

Subject to the Policy & Resources Committee's approval of the Final Business Case ...

So this set of Propositions is seeking to give delegated authority to P&R to approve the final business case for the project. Indeed, this amendment seeks merely to amend that delegated authority so if Members now turn to the amendment itself it is:

To delegate authority to the Policy & Resources Committee:
To review the Full Business Case ...

150

In doing so, we feel that it is appropriate that we should be asking ourselves a number of questions and I want to explain what we think those questions are and why we think it is appropriate that we do that openly and honestly through this amendment in the way that we are suggesting.

155

We think that the final business case needs to take into account the wider relationship. The 1948 Agreement did provide for an airfield as one of the transferred services. It was intended, as we know, as a temporary arrangement, 70 years later the Airport costs around £900,000 a year and we also have the cost of an airline which is not a transferred service. Now the current view is that that is costing round about £3.3 million a year. We know that that number is disputed, but in any event it is a considerable sum of money and of course that is the rationale for why the Treasury & Resources Department and others subsequently felt that a Public Service Obligation arrangement was the right approach to this problem, to ensure that there was a completely open and transparent mechanism by which we could identify a sum to support this service, so it was beyond dispute how much it was costing taxpayers.

160

165 The rehabilitation of the Alderney Airport runway will build an asset that Guernsey taxpayers
prima facie are going to be responsible for not only operating but in due course replacing. There
may be no point in building a runway if we are not going to have any airlines actually running it,
and we are not going to know that of course until we have had the Public Service Obligation
process concluded.

170 Now, Policy & Resources is not a party to that process at this stage. We have not seen sight of
the bids and I have no insights as to who has bid or what level of any support is required if any
support is required and at what level, what their requirements are in relation to the runway or
otherwise. That information is completely unsighted to us in seeking at this point in making any
decisions.

175 But I would suggest, sir, that it cannot and should not be assumed that the Guernsey taxpayers
will be the ones who necessarily are responsible for that subsidy, that is a matter which does need
to be considered once we know what the bids are, whether there is any support, and there clearly
needs to be dialogue with Alderney to work out how that obligation is met.

180 So once again, sir, I would suggest that this States is perhaps – and again no criticism of the
STSB in this, but we find ourselves in essence seeking to make decisions once again in the wrong
order.

Now, this amendment simply allows us to see the linkages between those decisions but
without impeding progress on the project, because Propositions 1 and 2 will have been approved,
as I said when I opened this debate.

185 So how does this project fit in or help deliver the Economic Development Strategy for
Alderney? Now we think that is an entirely reasonable question to be asking. It is entirely
reasonable that we think that it should be addressed in considering the final business case.

190 This is not an anti-Alderney amendment, this is very much a pro-Bailiwick amendment. If we
duck and do not address these issues I would suggest that we have potentially a festering sore
which infects the relationship between the Islands, and I think we do need to openly and honestly
confront some of these questions through this process.

We have already embarked on a review of the 1948 Agreement, we have already embarked on
the PSO process and we need to know how much it is going to cost and who is going to fund it,
and that is relevant information as part of this project and as part of the approval of the final
business case.

195 The Policy & Resources Committee is responsible for ensuring value for money. We cannot
advise on value for money at this point, and we are also responsible for Bailiwick relations, and we
think it is entirely reasonable that we should be tabling this kind of challenge at this point.

200 Really to emphasise, sir, in closing this opening to the debate, that this amendment does keep
the project on track, it approves the project and it approves funding for the next stage. It merely
makes very clear some of the issues which P&R should be considering when they do review the
final business case in due course. That work will take some months to conclude at the same time
as which the PSO process is rolling on and the 1948 process is rolling on. They should all be
brought together and that is what this amendment seeks to do, sir.

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

Deputy Brouard: Thank you, sir. I formally second.

210 **The Bailiff:** Just before I go on, Deputy Fallaize has been in the Chamber for a while, do you
wish to be relevé?

Deputy Fallaize: Yes, please, sir.
Thank you.

215 **The Bailiff:** Now, I have not discussed this with Deputy St Pier and Deputy Ferbrache but it seems to me to make sense to take the debate on this amendment at the same time as general debate because I think the two just run so closely together that that will save time and save duplication.

So Deputy Ferbrache, do you wish to speak on this amendment at this stage?

220

Deputy Ferbrache: No, sir.

I am content to deal with it. If you are going to deal with it in debate and have the general debate together, I intend to deal with it at the very end.

225 **The Bailiff:** Well, at the very end then, unless you have spoken during the debate you will have the chance to speak on the amendment before Deputy St Pier closes on the amendment and then you will have a further speech to close on the general debate on the Propositions as amended, if amended.

Deputy Roffey.

230

Deputy Roffey: Thank you, sir.

I am really quite keen to get on to In-work Poverty, so I hate to broaden this out from a simple debate on a runway to a whole highfalutin debate about the relationship between Guernsey and Alderney, but I do not think we have been given any choice over that because the real crucial words in this amendment are the final part of the sentence in paragraph 3(a) of the amendment which is:

235

... following the review of the relationship between the islands;

So the question is really: P&R are going to review the business case anyway under either set of proposals; do they do it now or do they do it following the review of the relationship between the Islands? I take this – I may be wrong but – as a device to make sure that Alderney comes to the table in a timely manner in order to facilitate that discussion and make sure that the review happens with due despatch, because until they do, under the amendment, P&R will not be able to press on with reviewing the business case for their runway and we all know they desperately want the runway replaced. So this will be a weapon, if you like, or a tool to make sure that they are not dilatory in actually coming to the table. Now, if I am wrong over that I stand to be corrected, but that is how I read it.

240

245

So I think it is impossible to avoid the wider issues of where we should be going between Guernsey and Alderney when discussing this amendment. We could have avoided possibly discussing the original Propositions but not in relation to this amendment.

250

Now, I would like to preface remarks by saying that I think my track record shows that there is no bigger supporter of Alderney in this Assembly than myself. I have been like a broken record trying to press Home Affairs and I still am.

It would be nice to have an update about when they are going to facilitate a little more generosity towards Alderney and Sark youngsters under the Population Control Law whenever we discuss the transformation process on education. I always remind – they do not need reminding but I do it anyway – my fellow Members that Alderney is an important part of that and we are not just talking about what happens in Guernsey. So I am a huge supporter of Alderney.

255

That said, I do understand very much P&R's concerns, and I think it is vital that the 1948 Agreement is reviewed and reviewed soon, for the reasons I will briefly refer to in a moment. But I do think that P&R have probably got the wrong tactic here, they have got the wrong target in order to make sure it will happen.

260

The airstrip is quite simply required. The economy of Alderney has grown up around it, it has been in the Capital Programme since 2013. Now I know islands far bigger than Alderney, Greek islands for instance, that survive very well, they thrive, without an airstrip. They rely on an airstrip on a bigger island nearby and a very frequent and often subsidised ferry service. But Alderney is

265 different to that it has got a different history because its economy and its community has grown
up around the availability of an airstrip, it is not as if it has never had one and of course the sea
conditions are very different indeed. It would need to be a very beefy ferry and a highly subsidised
one to make it really any kind of substitute for air connectivity. I think it is probably worth looking
at and I think it is something that ought to be looked at but I do not think that this policy letter
270 should be the trigger for it.

As I say, I think P&R are simply using this opportunity to press for a renegotiation of the
arrangement and they are right in that and I think we could shortcut this if we could hear from the
Alderney Reps today whether they pledge ... they undertook to actively and willingly engage in
that process over the next few months and not hang back from it, because that will make it far
275 easier for us to consign this amendment to the dustbin because it will clearly no longer be
needed. So I look forward to hearing from them in that respect.

But there are big questions that need to be addressed. How much should Guernsey taxpayers
be expected to cross subsidise Alderney. Now we keep hearing that that is justified, we should
even consider a cross subsidy because we are all part of the same Bailiwick. Actually some people
280 have started pronouncing it very weirdly I keep hearing the word 'Balliwick'. Well, Mr *Balliff*, I think
it is the Bailiwick! (*Laughter*) Nevertheless, it is not the point. Our duty to Alderney has got
nothing to do with them being in the same Bailiwick.

The Bailiwick is not a political arrangement. Sark is just as much a member of the Bailiwick as
Alderney is but we would not dream of giving the cross subsidy there. It is because of the partial
285 fiscal union that we entered into in 1948, nothing to do with the Bailiwick, so let's not hear things
about that. The question is whether that partial fiscal union entered into in 1948 is sustainable in
the modern world or whether it needs to be reformed in some way.

Frankly, I do not think capital costs are the main issue here. Capital costs in Alderney are eye
wateringly high for any major infrastructure project. I mean we are talking about £12 million here.
290 Doing a simple division by two on the basis of a population of about 2,000 and multiply it by 60
on the basis of our population of about 60,000, you are talking about £360,000 or £370,000 –
£370 million being spent on one way infrastructure in Guernsey. It is an extraordinary sum. But
that is nothing new. When I came with the Mignot Memorial Hospital redevelopment it was
£3 million, it seemed like a lot of money in those days, it does not sound like very much today,
295 and by the same little calculation that was equivalent of spending £180 million on hospital
facilities in Guernsey. What a dream that would have been. What facilities we would have now. But
I am afraid that is just the reality of capital projects for a small number of people, and I do not
think there is any way of getting around that.

I think the real issue here that needs to be addressed this year in a renegotiation or at least a
300 re-examination of the 1948 Agreement is the level of cross subsidy in revenue. It is as Deputy
St Pier said, the 1948 Agreement is now 70 years old and it was designed to be temporary. Now I
think we are going to need some permanent arrangement, but I think it is probably going to have
to be a slightly different one. I think Alderney will probably work on a slightly different one.

I will tell you what I think is the key problem with the current arrangement. That is that the
305 degree of economic union and the degree of political union are totally out of kilter, (**Several
Members:** Hear, hear.) and that does not work; it cannot work in the long term. So I think the
uncomfortable dilemma for our friends in Alderney is that either we have to move towards more
economic independence for Alderney or more political integration. It has to be one of the two. I
do not think you can have a totally different level of economic integration than you can political
310 integration.

So maybe if we want to keep the current level of economic integration we need to have – let's
face it we have got Alderney Reps in the States of Guernsey, maybe we need Guernsey Reps in the
States of Alderney. I am sure the northern Isle would welcome Deputy Trott going up there as one
of our representatives! (*Laughter*) Maybe not.

315 I say this because I do not think the Smorgasbord approach to union stacks up, I really do not.
Let me just give a couple of examples. I went to lunch yesterday and enjoyed it with the two new

Alderney Reps. One of them pointed out to me that there is no minimum wage in Alderney. Fine. We discussed minimum wage in this Assembly, not so much this year but last year, there were a lot of people saying we need to put up the minimum wage because employers are paying too little and as a result the States are picking up the tab with Income Support. Well, in Alderney they qualify for Income Support but there is no minimum wage. So how does that stack up. We, the taxpayer of Guernsey are expected – it is the taxpayer because it is a non-contributory scheme – are expected to actually support people who are being paid low wages in Alderney but there is no minimum wage to mitigate against that. It is one of about 50 examples I could give.

Deputy Inder, yesterday during Question Time, referred to health costs. Well, I do not think the solution is tax. I do not think we can insist everybody has private health care. Even if they did on the day they arrived, they could say they could not afford it for next year and anyway people can come to Guernsey into the Open Market or to live with family and not have private health care. But it is an issue that because of the different population regimes there can be a very high percentage of elderly retirees who statistically need a great deal more spending in care requirements than our typical population. I do not know what the answer to that one is; that is a particularly thorny one, but I think these issues need to be talked about.

Renegotiation needs to take place this year. Maybe Alderney wants a third party. Well, I have no objection to a well-respected independent facilitator. It is a shame it should be bilateral talks between two neighbouring communities – that is the nature of bilateral talks. But if it requires a well-respected independent facilitator, fine. My only plea is not the UK government. That would be such an admission of our own emasculation as independent territories that that would be very sad indeed. (**Several Members:** Hear, hear.)

Sir, I advise Alderney, of which I am a huge supporter, to embrace that process, because frankly, if they do not Guernsey does have the tools to enforce it. Refusing this capital programme is not the right tool – completely the wrong one – but frankly, a work to rule under the 1948 Agreement providing the minimum required under that Agreement would soon focus minds. I trust it does not have to come to that. I do not want it to come to that. It should not have to come to that. We should be cousins, friends, who can work out the way forward together with good intent.

I would like to say this to our friends in Alderney, through you, sir: the last thing I expect is gratitude. I do think that just makes people in Alderney seem like supplicants when they pay in equally, but actually a little bit less aggression sometimes. A little bit fewer allegations that they are being shafted by Guernsey might actually not go amiss, although I suppose that is human nature when you have a bigger community and a smaller community in a relationship; the smaller one always does feel shafted even when patently statistically it is a very long way from being true.

Sir, I cannot vote, I think, for this amendment because I think we need to bite this bullet. It is a very expensive bullet, but I think we need to bite it, but I think it would help a great deal and it could actually cut short the debate if the Alderney Reps were just to pledge that if we were to vote for this unamended they will engage and engage actively with a full review of the 1948 Agreement during this calendar year, and hopefully over the next few months.

A Member: Hear, hear.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

I rise to my feet, just following on what Deputy Roffey said, because if he listened to the statement made by the Alderney Reps yesterday, by Alderney Rep Roberts, he made it very clear he was happy to get around the table. So he has already given that pledge – it will be already on *Hansard* – and he already told this full Assembly that they would actually go down that route and they welcomed it. He actually welcomed it. So I do not think he actually needs to stand up and say it again. He is welcome to do so, but it is a waste of a speech if he does have to stand up and say

370 that because he said it yesterday. I do not see why he is going to change his mind today because he actually said it yesterday.

I just see this as a delaying tactic. I think this is the wrong tool to be doing that. I am really saddened to have this amendment before us. If P&R want to carry on doing a review of Alderney and work with Alderney and revisit the constitutional agreement that is fine, that is not going to happen overnight. I mean they have been looking at that for years, so I do not see where suddenly everything is going to kick-in and everything is going to be wonderful, when in the meantime the runway will be deteriorating even more. If they wanted to bring a sursis I think that would have been a better way, to be honest. Bring a sursis and say, 'Actually, we do not want the Airport runway to go ahead because actually we are going to delay everything until we do the constitutional review of everything.' As I say, I think tagging it on to the end here ...

380 In fact, I looked at it and I thought this almost goes further than the original Proposition, but obviously, under our Rules you have got to do it at the right time and I thought, 'Shall I do it? Shall I not do it?' and I decided not to do it. But to tag it on to something which is completely different, in my view, it does go further than – and just reading the amendment from P&R, in one paragraph alone they have got the word 'review' three times in here. 'Review, review, review.' I am fed up of reviews. Can we just get on with the work, (*Laughter*) for goodness' sake? It is either, 'Bring in consultants for this. Bring in consultants for that.' Let's just get on with the work. We have known for years the problem with Alderney runway needs to be sorted.

385 So I urge Members to throw out this amendment as soon as possible. Let Alderney get on with the runway and we move on to the next item.

390 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Deputy Lowe said it might have been better for P&R to have brought a sursis, but this is more or less a sursis because I think the effect of it would be the same.

I am not saddened about the amendment because I think it provokes thought about what is an entirely necessary debate, (**A Member:** Hear, hear.) and so I think probably I do not blame the Policy & Resources Committee for laying this before the States, or for trying to convince the States of the merit of this amendment, but they have not convinced me, because I cannot see – well, they have not convinced me yet at least – I am not convinced there are any really substantial reasons to vote for this amendment.

400 We are not being asked to vote on whether the 1948 Agreement should be reviewed, or whether this is really quite an expensive capital project on a *per capita* basis, or whether there might be opportunities to reduce the financial support of Alderney in the future. These are all noble objectives which Deputy St Pier referred to or alluded to in his opening speech, but what we are actually being asked to vote on is what is in the amendment, and I do not think there is a substantial case for it.

405 Deputy Roffey suggested one, although I do not think he is going to vote for the amendment, but he said it might be a tool to bring Alderney to the table in terms of discussing potentially renegotiating the 1948 Agreement. I do not think we need any additional tools to bring Alderney to the table. I mean in a sense in this sort of relationship in a present day analogy we are the EU and Alderney is Theresa May. We really do have all the leverage here. We are providing the financial support, we do not need additional leverage by a sursis to a capital project, the case for which has been known about for many years. So I cannot believe that the Policy & Resources Committee needs any more leverage to require the States of Alderney to discuss all of the issues around the 1948 Agreement.

415 I mean not only did Alderney Representative Roberts say yesterday that Alderney were happy to get into that sort of discussion, but I am quite sure that if they and any reasonable set of States' Members sat in a room for about an hour they would reach a reasonable agreement about a way forward and the politicians from Guernsey would be able to impress upon them if they needed it,

420

the need for Alderney to do that. But we are, to put it bluntly, writing the cheques and therefore we have the leverage and I do not think we need any more. So I do not think that can be the reason behind the amendment.

425 There is also something slightly confusing or conflicting in the amendment because when Deputy St Pier made his opening speech he quite properly worked his way through the difference between the amendment and the original Propositions and emphasised that the Policy & Resources Committee is not seeking to change the Proposition which asked the States to agree Option C as the preferred option and he was stressing that, presumably to underline to the States that there is no attempt here from the Policy & Resources Committee not to allow this project to
430 proceed in due course, otherwise why on earth would you not knock out Option C as the preferred option? In fact the explanatory note attached to the amendment does at the beginning of the summary, the explanatory note – I do detest long explanatory notes but anyway:

Therefore, in proposing this amendment, [P&R], whilst enabling the project to proceed as planned, is seeking to ensure that in reviewing and approving the Full Business Case, [it] also takes into consideration ...

– all the wider matters relating to the 1948 Agreement, but in the preceding page of the explanatory note it says that the review which is referred to here as an option appraisal should –

... include the examination of a ferry service to replace the current requirement to run an airfield.

435 Now presumably it is not the intention to spend £12.2 million on Option C and then maybe a year or two later say, 'Actually, we do not think we have any lasting obligation in relation to the airfield so we are going to shift our implicit obligation to a ferry service, possibly include a ferry service in a renegotiation of the 1948 Agreement, by the way which we would have to subsidise. So we would have spent £12 million on the runway and then have to subsidise a ferry service.

440 I will give way to Deputy Trott.

Deputy Trott: I am very grateful to my friend for giving way, sir.

I would like to ask him, through you, whether he has seen evidence that a ferry alternative would not be a solution, other than the fact that some people get seasick?

445

Deputy Fallaize: I will give way to Deputy Ferbrache.

Deputy Ferbrache: ... *[Inaudible]*

450

The Bailiff: Can you put your microphone on?

Deputy Ferbrache: Sorry, sir.

I am grateful to Deputy Fallaize and, via him, to answer. All I would ask Deputy Trott to do is read paragraph 9 of the policy letter which sets out all the disadvantages of having a ferry service and all the subsidy that would be required. So all I can say, sir – I could not say it directly to
455 Deputy Trott because of our Rules but – if he reads the policy letter in full and reads paragraph 9 in full, he will see that the ferry service issue is determined.

Deputy Fallaize: Thank you, sir.

460

I cannot present what Deputy Trott would consider definitive evidence against a ferry service. I do think that the arguments in the policy letter set out by the States' Trading Supervisory Board are quite persuasive, but the point is – and I think there has to be some dealing in political reality here – I accept Deputy Trott's sincerely believes, and maybe other colleagues on P&R sincerely believe, that a ferry service may be a better option in the long run for Alderney because it would
465 be financially more sustainable. I do not think that Deputy Trott or the Policy & Resources has a cat in hell's chance of persuading a majority, or anywhere near a majority, of the Members of the

Assembly that Guernsey should abandon its actual or implied obligations to Alderney in relation to an airfield and air links, (**A Member:** Hear, hear.) and if there is no chance of persuading the States of that then voting in favour of this amendment simply injects delay. It will not actually
470 achieve anything unless there is a realistic prospect of Option C not being the option which in the end the States proceeds with.

I cannot see, I mean not only does P&R's amendment by implication incorporate asking the States to approve Option C as the preferred option, but Deputy St Pier stressed that was the case in his opening speech. So I cannot see any ... on the face of it there is no drive in the Propositions
475 as they would be amended by P&R to move away from Option C. Even if we know in reality there is, because they are attracted to the idea of replacing those commitments with a ferry service, I do not think they have got any chance of getting that sort of shift in approach through the Assembly and therefore voting in favour of the amendment would just be delay.

I agree with Deputy Roffey that there is significant inconsistency between the extent of the fiscal union and the extent of the political union, and I do think that is actually really at the nub of the long-term issue between Guernsey and Alderney; and I am afraid, supportive though I am of Alderney, like most States' Members or all States' Members I am sure, I think in the end Alderney is going to have to reach its own view on whether it wishes more fiscal independence or to submit to greater political integration. I do not think that is an easy conversation to have with Alderney,
480 and I do not think it will be an easy decision for them to make, and it will be contentious and divisive in Alderney, but I do not think there is a way, a reasonable way, of escaping it.

The final possible reason for the amendment would be that it is a large sum of money. On a *per capita* basis it is an enormous sum, but as Deputy Roffey has said, you just cannot take that sort of view. I mean actually spending £70 million or whatever it was on the Guernsey Airport runway, if you compared it to the *per capita* cost of doing something similar at Manchester or Liverpool or Gatwick or Southampton or wherever, the *per capita* cost would look hideously expensive. It is simply that if you determine that you need to provide a minimum standard of infrastructure, the smaller the community gets the higher the *per capita* cost goes, but that is not a reasonable argument for not doing it. The same is true – I just say this in passing – for example,
490 if you are building schools. If you build them for more students the *per capita* cost comes down. Everybody in the States knows that and now recognises and appreciates that. But that clearly is also the kind of dynamic and equation that is at work here.

So I do not blame them for laying this amendment I think that they are trying – I hope they do not provoke too much of it today – to provoke a re-opening of the 1948 Agreement. I think that is necessary and long overdue. To some extent, I think the amendment probably will help get us further to that stage than we would have been, but I think the case for the amendment as it is written is weak, to say the least, and I think we should proceed with this capital project otherwise I think we will end up proceeding with it, but just months or years further down the line, and while that would be very typical of the States I think it would be unsatisfactory.
500

The Bailiff: Next, I will call the President of the Committee *for* Economic Development, Deputy Parkinson.
505

Deputy Parkinson: Thank you, sir.
510

My comments on the substance of this debate can be relatively brief. I am going to support STSB's Proposition or Option 3 and oppose the amendment, and I am pleased to say that the Committee *for* Economic Development are unanimously of this view.

Now the reasons for supporting the STSB proposals have been admirably set out by Deputy Ferbrache and I do not think I need to expand on that, and incidentally, a very good policy letter explains those reasons very well.
515

At base of course there is a technical argument that this is a legal obligation, if you like, under the 1948 Agreement for Guernsey to maintain a runway in Alderney, but actually the argument is much wider than that. It is in all of our interests for the Alderney economy to succeed. If

520 Alderney's economy fails the remaining population of that Island will end up as a millstone
around the neck of the Guernsey taxpayer and so we are all in this together.

We at Economic Development will do what we can to help rekindle the economy of Alderney,
but clearly we recognise that having a runway there is an essential part of the infrastructure to
enable that to happen.

525 Now that, as it were, concludes my remarks on the substantive elements of the debate, but a
couple of other matters have arisen in the course of debate. I would have to say that in some
respects Alderney is often its own worst enemy (**Several Members:** Hear, hear.) in these
discussions, because some residents of Alderney and some Alderney politicians do exhibit a sense
of entitlement and an attitude towards the provision of services, for example, by Aurigny which I
think is very unhelpful. (**A Member:** Hear, hear.)

530 Now I was actually stimulated to do a little bit of research by a comment made by Alderney
Representative Roberts in his helpful statement yesterday when he mentioned the Isles of Scilly,
and I am afraid I have never really thought of the comparison before but it caused me just to do a
little bit of homework on the air services to the Isles of Scilly to see how they stacked up against
Alderney, and actually it is quite interesting.

535 In population terms the two Islands – or in the case of the Isles of Scilly, the archipelago – are
very similar. Alderney has a population of 2,000 and the Isles of Scilly have a population of 2,200,
within 10% and they are both relatively remote. The Scillies are 28 miles from Land's End, Alderney
of course is rather less than that from Guernsey but more than that to the UK mainland and of
course a short hop to France. But I think that the comparisons are reasonable between these two
540 populated islands.

Where the comparisons fall apart though is when we talk about visitor numbers and numbers
travelling by air. Last year passengers to Alderney were about 55,000. I think that is about 30,000
from Guernsey and 25,000 from Jersey. Air passengers to the Scillies last year were 93,000 and in
addition they have sea ferry connections to the mainland and 122,000 passengers arrived by sea.
545 So the total number of visitors to the Isles of Scilly last year were roughly four times the number
of visitors to Alderney. Now that struck me as really quite an impressive difference and I started to
ask myself well why is that? Why do four times as many people go to the Scillies as go to
Alderney?

I asked myself, first of all, putting myself in the shoes of the cynics in Alderney, is it due to the
550 cost of airfares, is it more expensive to get to Alderney than to the Scillies? So I did an exercise
which many Members have done in other debates, I picked a random week in May and I went on
the relative websites to get the costs of airfares for a trip to the Scillies and a trip to Alderney. The
answer was basically no, for that week in Alderney the quote from Aurigny from Southampton was
just under £84 outbound and £109 return, £110. So £194 altogether and that of course – unlike
555 trips to Guernsey – includes baggage, but the quote for a trip to the Scillies from Newquay was
£230 return for the same week.

Now we could then ask, well, are the connections to Alderney more inconvenient than the
connections to the Scillies? Well, Alderney is connected to Southampton Airport which is situated
in a major conurbation in the South East of England, Scillies are connected to Land's End,
560 Newquay and Exeter. So I really do not think that anybody could maintain that it would be easier
for a large number of people to get to the Scillies than it is for them to get to Alderney. I cannot
see that kind of connectivity could be the problem.

Basically it comes down to something else. Aurigny cannot be blamed for all of Alderney's ills.
For some reason Alderney simply does not attract the numbers of people that other comparable
565 jurisdictions or islands attract. I think the States of Alderney, instead of frankly wasting their time
bleating about the services of Aurigny, should spend a little more time asking some soul-
searching questions about what is it about the Alderney offer which somehow does not resonate
with enough members of the public? There is a problem here which is nothing to do with the
airlinks and it should not continue to be swept under the carpet.

570 The other comment that I was going to make was in response to a question by Deputy Trott who asked about, I think, the PSO and this is relevant. I cannot talk very much about the PSO because what has happened is a number of bids have been received, they are being examined by a team at officer level which includes a civil servant from the States of Alderney. The team that is examining those bids has gone back to the bidders with various questions to get clarification
575 about their proposals. I am not party to those discussions and in the end, of course, that team will produce recommendations to the politicians to pick one of the bidders.

I have to say – and I have said this before in the Assembly – I will not actually take part in the decision on the selection of the successful bidder because I fear that the fact that I have been involved with Aurigny in the past might be considered by the public to taint my judgement in this
580 matter, so I will abstain on that and therefore I cannot tell you very much more about what the outcome of that might be.

But the point I want to draw out from this is that Alderney politicians again have demanded access to the management accounts of Aurigny and in fact have been offered access to those accounts, subject only to the condition that they sign a non-disclosure agreement. They have consistently questioned whether the £3.3 million loss is a real loss and my response to that is this
585 PSO process is going to answer that question, because the subsidy required to operate the Alderney routes is being market tested, and if any credible bidder comes in with an offer to run those routes for less than £3.3 million, there may be a case for saying that Aurigny were doing it inefficiently, but if all of the bids come in at or above £3.3 million then, frankly, I hope we will hear
590 no more of these questions about, 'Is Aurigny running the routes inefficiently? Could the services be provided for a lower figure?'

So that is all I have to say. I do hope Members will support this Option 3. I actually sense that the States is going to vote probably by a landslide in favour of Option 3 and against the P&R amendment. I totally agree with Deputy Fallaize that this is not the time to be discussing the 1948
595 Agreement. The runway cannot be taken hostage to that, and the runway will be required whether the 1948 Agreement is amended or not.

The Bailiff: Next, the Vice-President of STSB, Deputy Smithies.

600 **Deputy Smithies:** Thank you very much, sir.

Incidentally, I am delighted to hear that there are a number of bidders for the PSO that was useful information.

Deputy St Pier said twice in his opening remarks in the amendment, there was no criticism of STSB and I am delighted to hear that, but in the explanatory note to the amendment there is an implied criticism in the disappointment expressed in the decision not to discuss the ferry service
605 as part of the policy letter, and further, not to embark on some sort of analysis of the 1948 Agreement.

This is not part of the STSB mandate. We have had no instruction to carry out that work, and I would be grateful if the President of P&R could address this in his summing up.

610 Moving on, P&R will review the full business case in due course, but I hope that it is reviewed like any normal business case and not in the context of a review of other matters.

I welcome P&R's support for Propositions 1 and 2, but to seek to amend Proposition 3 by requiring a further review, including a visit to the 1948 Agreement, will have the effect of kicking the runway can a long way down the road.

615 If you do not like the Law then seek to change it in a straight forward manner. The policy letter quite properly recognises that P&R need to approve the full business case and as you, sir, have pointed out, we have not had the benefit of a letter of comment from P&R so the necessary approval is needed before the increase in the capital vote can go ahead.

In conclusion, I would ask the States to oppose the amendment and to vote for the policy letter Propositions in full.
620

The Bailiff: Deputy Gollop has been waiting a long time.

Deputy Gollop: Thanking you, sir.

625 Well, Deputy Roffey was our first speaker today after the amendment proposer and Deputy
Ferbrache. I kind of wanted to give a trailer of his next speech on In-work Poverty because it was
so good when I heard on the radio recently, and he was making the point which he will make later
when we come to that, about the real issues of people, perhaps younger people, wishing to leave
the Island because they feel they have not got a future that they can afford. We will be discussing
630 that and here we are talking about the Alderney runway, and believe me, if Alderney loses an up-
to-the-minute usable runway and airfield and we go to an all-year-round ferry with all the issues
that implies, we will see depopulation of Alderney. It will be an even bigger problem 10, 15 years
hence than perhaps the Island is at the moment, at a time when certain indicators indicate that
growth is on the up.

635 We heard from Mr Roberts. We welcome new States' Members. The first new States' Member
really since the election, apart from Deputy Inder and Mr Snowdon ... Mr Roberts very clearly
made the point that perhaps the population in Alderney after a period of decline ... Deputy
Parkinson just alluded to 2,000 but of course just 15 years ago the population of Alderney was
around 2,400; as I recall the Scilly's were 1,800 or so, so there has been a movement one way in a
640 positive direction. The Scilly's of course had the wonderful promotion of *The Island Parish* TV
series. I believe Alderney were offered that and for some reason turned it down, but we will not go
into that because it is past history, but it is an example of relativity.

When the previous Representatives Col. McKinley and Mr Jean invited Members over in the
last term, I was interested to hear from their manager of Alderney Electricity – which has a linkage
645 of course to the STSB for a shareholding in Guernsey Electricity has in the enterprise – that the
amount of usage of power had gone up for the first time in a number of years. That is an example
of perhaps a plateauing of what had been a decline. The same appears to be the case with
property prices, whereby property on Alderney at one point reached a point that would be lower
not only than Guernsey but most parts of southern and western England.

650 I mention all these points because I think we should realise that we have a responsibility to
Alderney people, not because they live in the 'Balliwick' or the Bailiwick, but because although
they are our nearest cousins, metaphorically and politically speaking, like the people of Sark, but
because they actually have a common purse.

Twenty-five years ago, sir, one of your predecessors I remember, the late Sir Graham Dorey,
655 very much encouraged Alderney when we changed the arrangements ... and for a while we were
not allowed even to know how much profit or loss Alderney were making in relation to transferred
services; that has been an initiative in this States from Policy & Resources. To a degree in some
respects Alderney was and is an 11th parish, ecclesiastically speaking. Of course Alderney has a
States of Alderney as well and I will perhaps address that in a minute.

660 We recollected yesterday the States of 20 years ago and the gentlemanly atmosphere that
sometimes prevailed in that period, and one tradition one or two of your predecessors, sir, used
to do on perhaps more frequent occasions than in the last decade, was after the States' meetings
we would have a little *vin d'honneur* – especially if a distinguished VIP was attending. That perhaps
was in a different time and place and a different kind of situation, but I relate to that because the
665 States of Alderney have a tradition that at the end of their early evening meetings they all, despite
the political cut and thrust of the day, and occasionally some slightly stern verdicts by the Speaker
– their President of the States – they all meet up for a comforting drink and a little crisp, and
occasionally they invite me in as well, although I have no constitutional or other right to be there,
but it is a great courtesy.

670 I think in many ways Alderney works very well. People say is it a successful community. Does it
function? Of course it does. I am not just saying that because my mother lives there and owns a
property there and so on!

675 It is smaller though. You think about Alderney's population, whether it be 1,900, 2,000 or 2,200,
the figure is immaterial really. It has at least a third of the population of advancing mature years
perhaps 65 or so or over. It is a community of 2,000 people – I mention that again because it
means it has a larger population than Torteval but a smaller population than at least two of the
western parishes, St Saviour's and St Peter's, which we would consider small parishes by Guernsey
standards, and yet it is staffing either professionally or on a volunteer basis an Island Police Force,
680 two Fire Services, a Harbour, an Airport, a functioning and efficient and well running hospital that
Deputy Roffey has already referred to, an Island administration, effectively their own waste
system, and all kinds of other public services, including an ambulance service and even a cinema
twice a week. We could go on. (**The Bailiff:** Please don't.)

They do their bit and they are doing it on a taxation base, not like the Scilly Isles where
everybody there is English or Cornish and they are paying 40% taxation etc. They are paying
685 offshore rates of taxation. They are tied fiscally and, in that sense, politically to our taxation
structure which, as you know from many people, say here we have no death duties as such, no
capital gains tax, no horrible investment surcharges, no tax rates above 40%, no VAT, no GST. It is
a very low tax environment in Guernsey in many respects, especially for those above the lower
income bands. Alderney people have an income *per capita*, we mention *per capita* a lot, half that
690 of Guernsey people on average. So it is not surprising that the figures suggest they are paying
less, proportionately, Social Security and Income Tax and they are receiving slightly more *per
capita*. The point I am making if you were designing a modern western European style
socioeconomic system for Alderney is –

695 **Deputy Inder:** Point of order, sir.

I am wondering if Deputy Gollop is actually going to talk about the runway at any point.

Deputy Gollop: Oh, well, I am portraying the context here that you cannot treat Alderney as if
it is part of Guernsey in that respect, because if Alderney was standing alone it would not be like
700 Guernsey; it would either be a Sark who historically have a completely different way of approach
to financial and other services and managing their budget, a minimalist State, or they would be a
European style of state with a much higher base rate of taxation. People ask why is Alderney less
successful than other places? I would argue because Guernsey is managing it with Guernsey's high
cost base and Guernsey's in taxation, and therefore any review of the 1948 Agreement which the
705 amendment, if passed, would lead to through a shot gun relationship would be inappropriate
without significant thought.

There were recent discussions made on the radio by various States' Members in Guernsey and
Alderney about current events, and experts rang in. I know one of them is a senior executive of a
shipping company and –

710 **The Bailiff:** I think you are straying off the subject, Deputy Gollop. (*Interjections*) Perhaps you
could make the point more succinctly and come back to the –

Deputy Gollop: Well, the shipping company executive – I do not think it could be more
715 relevant than this – thought that it was utterly bizarre and completely impractical to replace the
current airlinks with a ferry link, and the implication of the amendment, if passed, would be to
open up the possibility, not just to delay but elimination of Alderney's air services. So I would
suggest that an opinion which says that the ability of the States to quickly and easily finance a
ferry all year round alternative would be completely impractical and therefore the amendment
720 should be thrown out as irresponsible because the efforts that Policy & Resources are putting into
this, in berating Alderney for its lack of direction, miss the point that the context of Alderney's
politics are different.

I would concur with some of the remarks Deputy Fallaize and Deputy Roffey have made, that
the political and the economic do not tie up, but I think you might accuse me, sir, of going off the

725 point again if I talk about the problems of immigration and their lack of an Open Market or Local Market but that has already come into this debate.

But I would say also that the States of Alderney needs to perhaps be sharper in focussing its message because I disagree with one point Deputy Fallaize made. He said that the Island has no leverage, I would argue they have quite a lot of leverage, and if the States of Alderney had acted differently in recent times they could actually have put a lot more pressure on the States of Guernsey to review this expeditiously in a way that would be to the mutual satisfaction of both parties. I will not go any further into that, but I certainly would be willing to talk to States of Alderney and the Members along those lines.

735 Unfortunately, what was to be a focussed debate on the runway has gone off the point really (*Laughter*) because Policy & Resources have dragged it away from the point which was the runway.

Seven years ago the late and great Paul Arditti made a contribution and I remember very well Deputy Trott and Mr Jean, who were sitting in those seats, supported the principle of maybe larger planes to Alderney and maybe a modern, efficient, well-built Airport and runway. I think Alderney missed an opportunity a decade ago when they turned down out of hand an Airport park, but that is history.

But the point I am making is attitudes appear to have changed since then and that is regrettable because Alderney needs to help itself in economic development, (**Several Members:** Hear, hear.) but the principle of the Airport runway has been on the to-do card not just of Deputy Ferbrache's Committee and its predecessor, but Public Services for several terms. I remember the Public Services Committees of old looking at this and not going anywhere with it. The report makes clear that actually the original budget was for £2 million; that was a bit optimistic but I think it could have been done for £5 million or £6 million. The fact that it has come in at a rather expensive £12 million without even some of the extras is because we have delayed. If we were 750 unwise enough to support this amendment today, the chances are by the time it would come back we would actually have gone against the wording in this amendment in itself because it suggests that we would have a maximum budget of £12.3 million that probably would not pay for it. If we delay it by another year or two or three, after a period of rancour it would probably end up £15 million-£16 million.

755 Given the situation where we are in and the need to not to help Alderney economically, we must agree today to support STSB. I will make one further point: we have a situation whereby we have gone out as part of our policy work for the PSO for the transport links to and from Alderney; why at this stage are we now considering a change in course and saying, 'Oh well, until we get the information back from that we are not going to do the runway'? Well, then we will be in the absurd position of allowing several million for a PSO service to Alderney and there will be no 760 Airport that they can safely land at.

Let's get on with this now.

Deputy St Pier: Point of correction.

765

The Bailiff: He sat down, unfortunately, Deputy St Pier. Deputy Inder has been waiting a long time.

Deputy Inder: Thank you, sir.

770

I hope this is fairly short.

Deputy Fallaize actually made a comparison between Europe and he called Alderney May. Well, of course the difference between that comparison is May is a contributor to Europe where Alderney actually is not. So I would not be drawing any comparisons between Brexit at the moment.

775

Deputy Roffey mentioned my concerns over the Health Agreement that we have got with Alderney. Now, Members will know – and again this is anecdotal, I am fairly sure behind me

780 Deputy Soulsby will be nodding her head – when I used to drive a taxi for that small year on the odd occasion anyone ever came off an Alderney flight I was taking them to three places – and Deputy St Pier has heard me say this before – I used to either take them to the PEH, or I was taking them to the MSG, or I was taking them to the Rocquettes Hotel. The only reason I was taking them to the Rocquettes Hotel was before they went to the MSG or the PEH.

785 Now, if you looked at the profile of those people coming from Alderney, they are all basically, well, I suppose they would be called ex-pats or incomers. They spent 40 years paying their money to the English Crown, they come over to Alderney and they were dipping into our Health Service, costing us a damn fortune – an absolute fortune – for hip replacements, all the other stuff that people of a certain demographic what Alderney has done by –

You want me to give way? Go for it.

790 **The Bailiff:** Deputy Tindall.

Deputy Tindall: I thank Deputy Inder for giving way.

795 I am just curious, does Deputy Inder consider that these people are leaving the UK when it is free for the NHS to have such medical treatment to come to Alderney to receive such medical treatment? Is that his indication?

Deputy Inder: No, it is not. It is just a point of fact. They have got the wrong demographic coming to the Island dipping into our Health Service. Further on in this debate we will be talking about In-work Poverty. Well, part of the –

800 Deputy Lowe, I will give way to you.

Deputy Lowe: Thank you, Deputy Inder.

805 I just think there needs to be some balance to that really. You are talking about the more elderly residents in Alderney and you feel that they perhaps should not be using the Health Service. They pay contributions. They have no choice to that, they have to do it, it is compulsory. If you are going to look at demographics, that is not any different to those much younger that come over here and work here for three months. The day they start paying contributions they are entitled to the health scheme that we have in place.

810 **Deputy Inder:** The difference of course over here is that we have got a functioning economy.

Sir, in my personal view, I do not think Alderney should have that open door to allow people of a certain age to land in Guernsey and be dipping into our Health Service which my children will be paying for. So that point remains.

815 Now Deputy Parkinson mentioned about the comparison – I am not giving way; Deputy Tindall can respond later on in her own speech – between the Scilly Isles and Alderney. It is absolutely right. I mentioned it yesterday. I do not actually know what is wrong with Alderney. I really do not. I said it yesterday, you have got France to the east, you have got England to the north, and you have got us to the south and west. The problem is not down to – and it was only repeated yesterday – it is not all about connections. The Island has its own responsibility to stop whining about all of the problems that seem to be ... that they appear to be down to connections. It is not the connections. You are getting five or six flights a day from Guernsey, sometimes six flights a day from Guernsey to Alderney. There is nothing wrong with those connections. You would empty the Island in two days, but those connections to Guernsey are absolutely substantial and the Island does a lot for Alderney. So I would agree that for all of those that do have – I have a love for Alderney but it is not as infinite as ... It may be surprising, I do have a love for Alderney, I have a love for the Bailiwick, I am a card-carrying nationalist, but it will never be as great a love as Deputy Roffey, but it is a practical and pragmatic love.

825 Now moving on a bit, Deputy St Pier said in his opening speech that there is a possibility that Alderney will have no airlinks. I think that is about zero. There is no way on earth if anything

830 comes out of any discussions anywhere else in this Assembly where the indication that we are going to have a ferry service that is about zero, if that comes back to this Assembly we will end up basically saying that effectively if Alderney does not have its runway we may as well abandon it tomorrow. (*Interjection*) It is that serious. For everything I have said before, it is that serious.

What we have to decide is whether we want – and I do not always like what I am hearing from parts of the top bench, there are 2,000 souls up there – I do not like the predicament you are in – 835 (*Interjections*) there are no souls in Alderney – sorry, I was talking about Alderney, not on the bench. I know there are no souls (*Laughter*) on the top bench! Well, not the kind of souls I am talking about. There are 2,000 souls up in Alderney and we have an obligation, whatever happens in the future, we have an 1948 Agreement to ensure that Island exists and it will only exist with a runway and airstrip, that is a fact. So to that end I just cannot see that any delay in that is going to 840 come out with any other conclusion apart from Alderney will have – sorry, sir, through you, will have – an airstrip.

Of course the other problem is Policy & Resources, with the greatest respect, every time they grab something it seems to go into a sort of black hole, and a black hole is defined as a region of space where no matter or radiation can escape. The informal definition of a black hole is a place 845 where money or lost items disappear without trace. Now Deputy Trott will agree that is actually Alderney. So in the end, sir, if you actually look at the final ... what Deputy Ferbrache said is logic has the day – I agree. I absolutely agree with the commentary made from the Environment & Infrastructure – there is a surprise – from E&I and where it basically says bullet point one:

... the States of Guernsey's obligation under the Alderney (Application of Legislation) Law, 1948 to provide an airfield for Alderney as part of the transferred services;

We have an obligation to those 2,000 souls. We do not have this total obligation but it has to 850 start with the maintenance of that runway and that airstrip. Take that airstrip away today and we abandon the Island.

Thank you.

The Bailiff: Deputy Le Clerc.

855

Deputy Le Clerc: Thank you, sir.

Just a couple of points I would like to make.

I am not sure that Deputy Parkinson actually gave us a timeline for when the PSO debate will be coming back to this Assembly and that sort of disappoints me because, well, it is not scheduled 860 for the February one, as far as I can see among forthcoming schedule, because I think it is part of this debate and it would have been really useful to have had that information before we went ahead with this debate, and it was something I brought up when we had the Deputies meeting. I think, again, it looks like we are not very joined up, because it sounds as if P&R have not been sighted on any of that work –

865 I will give way.

The Bailiff: Deputy Tindall.

Deputy Tindall: I thank Deputy Le Clerc for giving way.

870 I cannot give a timeline but I might be able to help a little. The PSO was set so that this debate was not taken into account. The PSO will carry on operating whether or not the refurbishment goes ahead. They are aware obviously that there is a timeline in which they may start before the refurbishment takes place, if this debate is successful. I hope that is of some help.

875 **Deputy Le Clerc:** I do understand that, but I think the PSO will determine what size of planes are going to go in and out of Alderney and I think again that would have been really useful.

880 However, moving on from that, I think just picking up on the ferry service, if anybody has been over to Alderney on a very windy day and has seen the water coming over that Breakwater, they will agree that having a regular daily ferry service would be absolutely impossible. We know from our own Harbour that actually there are days when some of the ferries cannot get in and out because of high winds, so I do fear that we will just be kicking the can down the road if we vote for this today.

885 One last thing, or two actual things: firstly, on the review of the 1948 Agreement, I am not aware that any discussions have taken place or they have even started, and as what I would regard as a major stakeholder Committee ESS with responsibility for transferred services, that really disappoints me because I do not think anything has happened. So I would like to know if anything has happened.

890 Then, lastly, I think if we agree this amendment, and I am getting a feeling that actually there is not much support for it, what would happen if there was a major incident due to delays in refurbishment and rebuilding of that runway; who would be responsible and will that responsibility come and rest on the shoulders of this Assembly in saying we have kicked the can down the road and, 'We want more information'? Again, that is another question I would like to ask: where does the liability lie if we do not approve the refurbishment today?

895 Thank you.

The Bailiff: A choice. Deputy Tindall.

Deputy Tindall: Thank you, sir.

900 I agree with everything said by Deputy Roffey and indeed many others. I am pleased to say that this seems to be the resounding voice in this Chamber of support for STSB's Option 3.

905 Whilst we are assured by Deputy St Pier this amendment is not to stop the project but to keep it on track, but this is said to be following the review of the relationship between the Islands, I do doubt any extra review keeps anything on track. As with this full business case, and indeed the one for the Guernsey runway, delay is to no-one's benefit – although it is ironic P&R support further analysis of Alderney's runway but not Guernsey's. (**A Member:** Hear, hear.)

910 I take this opportunity also, as invited by Deputy Inder earlier – it is off the track a little bit – I wish to comment on his views that by disliking elderly people having the right to health care but, as Deputy Lowe pointed out, having no problem with younger people having the same right is ageist (**A Member:** Hear, hear.) and for this reason alone the sooner we have an equality Law in place the better.

915 Deputy St Pier mentioned that this runway refurbishment is a 'festering sore'. I disagree. For me, it is an obligation clearly set out awaiting fulfilment for many years. However, it is also clear that the review does contain festering sores which need to be discussed, but I do not consider that this work should be brought into that discussion. There has been plenty of time to link these two together and this is only the first time that this has been done.

920 As I have stated in my declaration of interest, I have a foot in both Islands and I care deeply about the importance of working together in an open and transparent manner. As mentioned by Deputy St Pier in the question to Alderney Representative Roberts yesterday about entering into discussions with good faith, as I said then, I agree. I do not think having the requirement for the UK, or indeed any third party, to be involved is beneficial, but neither having the refurbishment of the runway held over the discussions should be either. I hope both decisions will change. Maybe this amendment is a means by which to do so. In that case, I hope it succeeds, but not otherwise.

925 I also agree wholeheartedly with Deputy Le Clerc in that stakeholders should be involved. We really need to sort this out and it is best if those interested parties are round the table with fair and open-minded thought process to enable it to be swiftly done.

Deputy St Pier mentioned tourism. As tourism lead for Economic Development, I am of course very much concerned that we should inhibit the ability to Island hop and take advantage, for

example, of the visitors at shoulder months to the Alderney bird observatory, which is good for Alderney and should be good for Guernsey.

930 We need to work together and, to that end, I am looking to bring together the political leads for tourism across the three Islands through the Bailiwick Council, Alderney States' Member Earl, who is such a lead, has already extended an invitation to discuss Guernsey and Alderney working together and I hope Conseiller Helen Plumber, tourism lead for Sark, will join us. What is good for Guernsey and Alderney is good for the Bailiwick.

935 Deputy Parkinson raised interesting areas for discussion and I know Alderney States' Member Earl has already considered other Islands' offerings and I look forward to hearing more.

Sir, most speakers have referred to obligations under the 1948 Agreement and all the good points have been made, and indeed analogies have been used, but I do disagree with Deputy Fallaize, Alderney is not Theresa May. I think actually both P&R and Alderney' States Members are
940 Theresa May.

The last work on the review of the 1948 Agreement is important. I believe that most in both Islands agree that it should happen. However, I will draw comparisons to the UK because surely we can learn from their errors made by Theresa May in respect of Brexit and avoid red lines being laid out beforehand. It may be a redline only to review the 1948 Agreement, but that can happen
945 without the need to link it to the refurbishment of the runway.

I therefore support Option 3 and will Contre in respect of the amendment.

The Bailiff: I will go to the other end of the Chamber. Deputy Meerveld.

950 **Deputy Meerveld:** Thank you, sir.

I will not be supporting this amendment but I will support Option 3 under the policy letter to reinstate Alderney's runway to good working order.

This policy letter relates to an obligation we have under the 1948 Agreement, as Deputies Inder and Tindall have just pointed out, and while I agree with other speakers that the 1948
955 Agreement needs renegotiating after so many years of being active, I believe it is fundamentally wrong to link honouring our commitment under that Agreement to any renegotiation of that Agreement.

In Deputy St Pier's statement to the Assembly yesterday he stated that transport links are vital to Guernsey's economy. The Alderney Airport is a vital economic enabler to Alderney and delaying works will inevitably negatively impact inward investment. How can the project that Representative Roberts pointed out to us yesterday, Fort Tourgis, will it get the investment if not only is repair to the Airport delayed but potentially there will be no Airport, as suggested by this amendment, we may consider a ferry service instead? So by jeopardising or bringing into question the future of the Airport, you will automatically and immediately impact inward investment into
965 Alderney.

To give an example, a local Guernsey example, to how a statement in this Assembly can massively impact an economy and market, look at the 2010 statement in this Assembly about the re-evaluation of the Open Market property sector (**A Member:** Hear, hear.) and how the Open Market property sector nine years later has never recovered its value to those 2010 values. So we
970 have to be very careful in making a decision like this, deferring a decision effectively under the amendment until negotiations have concluded.

There is no guarantee that those negotiations will not take a protracted length of time, or possibly be challenged in court if there is a dispute over it. Therefore you are effectively indefinitely delaying repair to the Airport and bringing into question its future and that would
975 have a potentially massive impact on the economy of Alderney. So for that reason alone, I believe we need to go ahead with this.

There are other issues as well; I mean £12 million is a significant amount of money. (**A Member:** Hear, hear.) However, let's contrast that with recent States' decisions. In the November

980 Budget debate this Assembly supported an amendment to increase our Overseas Aid Budget over time from less than £3 million per year currently to 0.7% of GDP –

Deputy Yerby: Point of correction, sir.

985 **The Bailiff:** Deputy Yerby.

Deputy Yerby: The Assembly agreed only to review and explore options for whether and how the Overseas Aid budget might be increased.

990 **Deputy Meerveld:** Okay, I am sorry. I accept that correction and, yes, we are exploring increasing the Overseas Aid budget from currently less than £3 million to 0.7% of GDP, which currently equates to over £20 million a year.

In his opening speech on this amendment, Deputy St Pier stated that we are not making decisions in the correct order, having not seen the results of the Public Service Obligation tender. However, in December P&R supported the purchase of three ATR72 aircraft for £50 million without presenting the PWC report on transportation links to this Assembly to enable consideration of the overall transportation strategy prior to making that decision – new aircraft that will depreciate in value by over £14 million in the first year of ownership.

I encourage all Members to support Alderney's economy by honouring our current obligations under the 1948 Agreement.

1000 Thank you, sir.

The Bailiff: Deputy Prow has been waiting a long time.

Deputy Prow: Thank you, sir.

1005 I rise to oppose the amendment proposed by Policy & Resources.

Sir, I simply do not understand the logic of the lengthy explanatory note. Deputy Fallaize, although that was quite a long time ago in this debate, has very well indicated in his speech that I am not alone.

1010 I attended the very helpful STSB presentation to States' Members on 18th January and I have read the policy letter, and I would perhaps like this debate to get back to that policy letter.

It appears to me that STSB, under its clear remit on the provision of aerodromes, has made a solid value for money case to rehabilitate the Alderney runway. As I understand it, STSB have an obligation to provide a functioning Airport runway. They have taken advice and provided this States report. At section 1.6 it clearly summarised the current patch-and-mend is not cost effective – the runway having exceeded its operational life. The policy letter explains there is urgent action needed to ensure the current legal, regulatory and constitutional obligations with respect to Alderney airfield for which it is responsible.

1020 Sir, STSB have made a clear recommendation in Option 3, which P&R also have given that option some sort of endorsement as it remains the preferred option in their amendment ... I am confused by the explanatory note, which to me conflates different issues and this has been explored extensively in this debate by other Deputies.

As said, STSB have an obligation to provide a functioning runway. I note the rehabilitation of the runway has been in the capital portfolio since 2013. Sir, STSB surely must abide by aviation regulatory requirement to maintain the aerodrome licence. The States have acknowledged Alderney as an essential route; all this amendment does is kick that can down the road.

1025 Sir, it is therefore a tad unfortunate at this juncture to be calling for a value for money review based on the separate review of the relationship between the Islands. Sir, I question how long it would take to find an agreed position once the 1948 Agreement is reviewed and then be able to interpret this as the Proposition at 3(a) would direct.

1030 I am also not entirely clear what the position is as far as this Assembly is concerned with regard to a review of the 1948 Law and perhaps in the summing up we could perhaps have some more information on that.

Sir, I would also question whether it is STSB's role to undertake an appraisal and I quote from the explanatory note to the amendment which describes it as:

... the examination of a ferry service to replace the current requirement to run an airfield.

1035 That is what the explanatory note says. In fact STSB have provided analysis at section 9 leading to a clear conclusion in 9.7 which says:

... [that] investment in ferry services and harbour infrastructure would fail to realise the capacity ... which is already provided through air services deemed by the [States] ... as essential.

Sir, I ask Deputies to vote down this amendment. This is about STSB's obligation to cost-effectively undertake a project to rehabilitate a runway that has exceeded its operational life not to kickstart the fundamental review of the relationship between the two Islands of our Bailiwick.

1040 Thank you, sir.

The Bailiff: Deputy Tooley.

Deputy Tooley: Thank you, sir.

1045 I am going to start with a tiny bit of historical context because I think while we often assume that everybody knows the historical context, discussion around the Sark electricity issues at the end of last year really highlighted that for many people in our wider community who live with this day by day and do not need to think about it, actually often the historical context is something that has not crossed their minds since they left school or that they were never really fully aware of.

1050 So following the Second World War those residents of Alderney who returned, returned to a massively depleted population in circumstances where services were all but destroyed, properties were all but lost, fallen into disrepair, boundary lines were not clear, and it was very difficult for them to maintain anything remotely resembling proper community, never mind full on government. Following a Privy Council Report in 1947, what emerged was the proposal that
1055 Guernsey would take over responsibility for Alderney's most important public services. The States of Guernsey would assume financial, legislative and administrative responsibility for Alderney's Airport, health, social and educational services, police and immigration, main roads and water supply. Then alternations were made to give main roads and water supply back to Alderney to bring social care of children into the purview of Guernsey and so on a little bit later on. These
1060 were termed transferred services because the responsibility transferred to Guernsey, and by virtue of the Alderney Application Registration Law of 1948 Guernsey then acquired the right to legislate in all matters necessary to discharge the duties which were conferred to it to run those transferred services. Sir, thank you for indulging me in just allowing us to put that back into the context.

1065 Deputy St Pier has reminded us that this was only ever intended to be a temporary arrangement. Absolutely agree with him, it was only ever intended to be temporary. Now 70 years pretty much have gone by and it is definitely time for review of that temporary arrangement. I absolutely agree this needs to happen, it needs to happen at pace. (**A Member:** Hear, hear.)

1070 But we have spent a considerable amount of time during this meeting and over recent months, being told that Brexit legislation is so onerous, and plentiful, that even our current priorities over critical legislation, such as Capacity Legislation, must take a place in the queue. They must wait behind everything that needs to be done for the fall-out from Brexit. A fall-out from Brexit that the UK government today has said probably will not be ready even in their legal system, never mind in ours, which in many cases cannot operate until we know what they are doing.

1075 With the best will in the world from all sides, both Alderney and Guernsey, I cannot see how that review will happen quickly, or how any ongoing changes as a result of that review will be

enacted quickly. I just, with the best will in the world, do not see it happening in the kind of timeframe that this airfield, airport needs to be dealt with.

1080 In 1948 it was very clear that Alderney needed to be helped for a time to maintain its essential services – essential services which included the Airport. Guernsey agreed to help with those essential services which included the Airport. If an airfield was essential in 1948 with around 600 inhabitants on the Island how can it not be essential now? It seems to me very clear that if there was an expectation that if, and as, and when Alderney might retake control of those services they would take control of services which Guernsey had maintained. The runway has not been maintained and we must put that right.

1085 Indeed, if I was sitting right now on the Alderney seats I might well be saying we are more than happy to discuss the arrangements that were put in place in 1948 hand us back the services that you said that you would.

I cannot support this amendment.

Thank you.

1090

The Bailiff: I think Alderney Representative Roberts wishes to stand. Would you like to hear from him before you ...?

Alderney Representative Roberts.

1095 **Alderney Representative Roberts:** Thank you, sir.

The Bailiff: Can you put your microphone on? Is it on? It may be on.

Alderney Representative Roberts: I do beg your pardon, I am new.

1100 Sir, this amendment has no support for Alderney, it is simply about the 1948 Agreement. There is a separate agreement for the future, that is a separate decision which I totally support and welcome. It suggests we postpone once again the rehabilitation of Alderney's runway indefinitely until the review of the 1948 Agreement is complete and that will take some considerable time, I am sure.

1105 The rundown runway is not about the 1948 Agreement, sir, it is about a rolling ball that has been kicked several times all because some disagree with fulfilling an ongoing promise to maintain our Airport in a proper and safe standard. I repeat 'safe standard', for it could be closed should the CAA declare it unfit.

1110 In Alderney we have long argued that the rehabilitation should have preceded any PSO. We already know that some operators have been reluctant to provide services simply because of the problems and safety issues of compliance.

Four years ago a major airline met with officials in Alderney and the message was clear, 'Fix the runway and come back to us'.

1115 Talks of ferries are only supplementary to our airlinks, they are not a replacement. Guernsey have very large boats compared to what can access Alderney and it would require a considerable replacement of our current docking facilities. Our seas would leave us in isolation for weeks and put travellers off if they get rough trips from ever returning, so tell me what would happen with our medical patients? How can we ensure our survival without an airport that was closed by the CAA because we had not maintained it?

1120 Ferries do have a supplementary role of course, a necessary one, but to have a ferry would only turn us back towards the Victoria era should we lose our runway.

1125 Alderney could be cut off for weeks on end in bad winter storms. It is a weak and clutching-at-straws argument and only designed to delay. Even the Little Ferry Service last year, in the best summer weather we have had for decades, had to cancel 10% of its services due to the weather, and that is the best weather we have had for years.

Who would want to invest or purchase on an Island with such bad connectivity? Answer: no one. This has been proved in recent years with our local economy still struggling. The result would

be self-inflicted ruin in parts of the Bailiwick and I have no doubt we would struggle, it would fall over and you would as well, for we are one Bailiwick, do not mistake that.

1130 Colleagues, not long ago the President of P&R came with two other colleagues up to Alderney, much to my delight as bridges long needed to be built. He suggested that Alderney and Guernsey got together and produced a joint economic development plan, he intimated this could have been the basis for a joint review of the 1948 Agreement and I totally agree. We all agreed in Alderney. What happened? Nine days later we are given a draft of this amendment. A lot can be,
1135 and a lot has been, said about neglect of the runway.

First, there is a clear and legal obligation for the States of Guernsey to operate and maintain the airfield; that is fact. Secondly, on safety grounds alone it needs to be done now. The DCA derogation under which the Airport currently operates, which could be taken away if the width is not restored to 23 m, and – while I hope and pray it never happens – if there were to be a serious
1140 incident and you had not approved the rehabilitation, that decision would forever lie on all our consciences, because that is the reality here, the lives of Alderney residents and the travellers that come to our Island.

The technical work carried out as part of the outline business case makes a compelling case. By last July the consultants considered that the runway had reached a position of where 95% of its
1145 natural life had been exhausted. The introduction of the Dorniers has accelerated the stress on the runway so it is now deteriorating at a rate of 10% of its natural life every year. There is no scope at all for delaying this decision. This work needs to be done now.

In January 2014, following a report by Mott MacDonald entitled Runway Review Report, prompted by the late Paul Arditti requête, whoever headed your Scrutiny Committee then agreed
1150 to a number of things which included:

Since 1948, Alderney and Guernsey have been inextricably linked and today there is fiscal union between these Island recognising that Alderney is facing significant changes, especially economic decline and depopulation, and agreeing that in such circumstance to contribute to stimulating Alderney's economy and reversing depopulation.

This Chamber additionally agreed, that very same day of the requête, the prominent role of the airfield in the economic and social life of Alderney, and that has not changed. The Chamber here also supported the repairs and upgrades that we in Alderney believed it was just a matter of time for the works to commence, and we were very grateful for that ... of the commitment to go ahead
1155 with these works. It seems, unfortunately, we were a little naïve; review after review was placed on the people of Alderney but the promise and review results all recognised the lack of serious repair for a runway that is simply not fit for commercial travel due to the lack of proper attention and relying on patch up over the last few years.

We were surprised when Guernsey asked for yet another review, this time with the emphasis
1160 on the outcome of do minimum or even, yes, do nothing. All after it was agreed by this Chamber years before and reported money allocated. The Committee for Economic Development provided a letter of support for this project and in December 2018 you accepted the economic enabling aspects of transport infrastructure investment. The Bailiwick as a whole needs to invest in its future. The problem is not confined only to Alderney, sir, though in Alderney it is more acute due
1165 to its small size. However, our size makes recovery quicker given the investment that is urgently needed now.

Colleagues, friends, vote this amendment down for all the reasons I give. If we go down this route it may take many years to resolve and this would sour and hinder any 1948 negotiation as both sides dug their heels in. We want a proper review of the 1948 Agreement but this is a
1170 separate issue and I totally welcome it and it is long overdue.

The runway essential repair, as I earlier said, is a rolling ball and the amendment is just a moving goal post and it is a paramount safety issue to get our repairs completed without any further delays or reviews.

1175 Please listen to the people of Alderney and vote this amendment down, for all the reasons I have given you, the funds are available, and not least because the Chamber is an honourable institution and one that keeps its promises to its taxpayers.

I have said it before, I will say again, we need to build bridges, we must work together, we are one Bailiwick, Alderney and Guernsey together. So please do what is best for all, vote down this amendment.

1180 I look forward to a closer future with Guernsey.
Thank you very much.

The Bailiff: Next, the seconder of the amendment.
Deputy Leadbeater, you wish be to relevé?

1185 **Deputy Leadbeater:** Please, sir.

The Bailiff: Yes. Deputy Brouard.

1190 **Deputy Brouard:** Thank you, sir.

I think Deputy Roffey was one of those who spoke fairly early on and he does make a fair point and we do need to press on with the review of the 1948 Agreement, but we are still in the early stages of putting our thoughts together on that, just picking up a point from Deputy Le Clerc.

1195 Deputy Gollop mentioned Alderney politics will be different to those of Guernsey politics, but I would also mention to him the pounds that we spend are the same.

Just picking up a point very early on from Deputy Roberts about the safety of the Airport and no doubt something that Deputy Ferbrache will touch on, the Airport is safe today, the Airport will be safe tomorrow, it is checked every single day. I do not want anybody to be worried from that point of view and no doubt Deputy Ferbrache will make that confirmation.

1200 This is one of those times where the timing is out of sync, and I appreciate it is always difficult to get the timing right on these things. It is difficult to try and do a holistic review with our arrangements with Alderney. We are trying to understand what is best and fair for both communities. Today's and tomorrow's circumstances that we live in are different from 70 years ago. Today we are being faced with substantial infrastructure improvements to Alderney Airport but in isolation, and a point well made by Deputy Le Clerc, yet we have no sight or cognisance of the long-term plans, we have no sight or cognisance of the Public Service Obligation, we have no sight or cognisance of the future relationship.

1205 The amendment while not seeking to hold up the refurbishment is seeking to bring a holistic view to some very difficult conversations. Rather than take the easy simplistic approach by passing this baton on to someone else and just approving the £12 million in isolation.

We have a right to consider the long-term sustainability of the 1948 Agreement, we have a right to consider the long-term future for Alderney. We have a right to our taxpayers, and we have a right to do right by them. (**A Member:** Hear, hear.) So please support the amendment we can holistically look at all the elements in all our communities' best interests.

1215 Thank you, sir.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, thanks.

1220 I am not going to go on, I think we have had quite long enough, to be fair.

I think I do need to start by correcting Deputy Gollop on two very important points. It is the Isles of Scilly not the Scilly Isles; it is something that was drummed into me as a child at a very young age from Cornish parents; and, yes, the Isles of Scilly are Cornish not English.

1225 Deputy St Pier opened the debate on the amendment by saying the amendment will not stop anything. No, it might not stop anything, but I think it really will delay matters. Anyone who thinks just by starting this year it is going to be finished this year I think is living in cloud cuckoo land.

1230 Deputy Le Clerc spoke about ESS having not been approached on any aspect of transferred services in the 1948 Agreement. I do not believe that ... well, certainly from Committee level we have not been approached at HSC either. I think that process is going to go on, and when it comes to the final legislation, if our Capacity Law is anything to go by, we will probably be waiting several years.

1235 I think it is important to consider the policy letter and amendment in relation to the impact on HSC, not just on the population who need to travel to and from the Islands to get their care. I think people forget ... they think about people having to travel to get their care either in Southampton or Guernsey but you need to remember there are a lot of professional staff that travel every day on those flights, to give that essential service that cannot be provided 24/7 on our sister Island.

1240 Turning to using a ferry service, I think there needs to be a lot of consideration about the impact it would have on the provision of services on that front, because I think it could actually increase costs rather than reduce them, or reduce services quite drastically, it is going to be one or the other.

1245 But on that, although there is mention of ferry services in the policy letter, as Deputy Ferbrache advised earlier, I continue reference to a helicopter service. I do not know if that could all be subsumed within a PSO. I do not know. I have not heard any reference to whether that is a practical option but I would like to understand from Deputy Ferbrache if he could give me any thoughts on that.

I think we have not heard anybody here actually support the amendment. I do not think I have heard anybody go against the policy letter, so I think really we need to start putting Deputy St Pier out of his misery and close the debate pretty soon.

1250 Thank you, sir.

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you.

1255 Sir, I am disappointed that P&R are disappointed in our policy letter for the reasons that were well summarised by Deputy Smithies.

1260 I also was disappointed by 3(b) in their Propositions because it said '*following* its approval of the business case'. That implies assumption that it will be approved, but it is far from the truth, it is if the business case is approved after getting under all the higher bars that will be set. As regards renegotiating the 1948 Agreement, that could go on for a long time, so I just do not like the way it is worded because there is an assumption it is going to be approved, but it may not be. Even what we are planning to do is just submit a business case ... without these extra criteria being applied may not be approved, who knows.

1265 But I really want to get back to the airfield because I went back to basic principles; when things get complicated you think go back to basic. So I spoke to one of the Law Officers and asked a couple of questions. I said, 'Do you know what the airfield was like in 1948? It had three grass runways.' So did Guernsey, interestingly. I then asked, 'Well, since it has now got a hard tarmac runway, could one wriggle out of this agreement by saying we only really have to maintain what you had in 1948 when we had the Agreement?' But apparently not, because things progress, improvements are made and we are exactly where we are.

1270 A lot of Members have referred to the airfield and a runway, but they are not quite the same thing. You can have an airfield without a hard runway; there are plenty of them about. But what is interesting now is the significance of why we want to reinstate the width of the runway to 23 m. It all boils down to accommodating the maximum cross wind capability of the Dornier.

1275 Now Deputy St Pier may remember – and we are the only two surviving Members of T&R
when that came to the board – Aurigny came to the board and there were a couple of planes in
the running, Twin Otter and the Dornier; and the Dornier had by far the highest cross wind
capability and that is what won the day. People who were in the last Assembly may remember the
1280 late Paul Arditti saying in this Assembly, ‘We do not have a weather problem, we have a cross
wind problem.’ So the problem we have now is the Dornier is not the most suitable aircraft to be
operating services today, or tomorrow, and it will not be able to regain its advantage until such
time as the runway width is reinstated. That is a sad state of affairs because it will make the
operation more expensive and there will be more cases when schedules will be disrupted because
of cross winds that are not acceptable.

1285 The other question I was curious about was the ability of the Dornier to land on grass, and it is
certified to land on grass, but I was told that Aurigny, of their own volition, have decided not to
land on grass and there may be good reasons for that, I am not disputing that.

But unlike my colleagues in P&R, or indeed elsewhere, I have some information on what has
been going on as regards the PSO and what is interesting is that one of the aircraft which might
1290 now be the suitable to provide a regular all cross wind situation type service to Alderney is the
Islander because it can land on grass. So if you had a 60 knot cross wind across the mainland it
just lands on one of the grass runways, it will stop on a sixpence. It is also a much more
economical aircraft to operate. Believe me, piston aircraft cost a fraction of turbo aircraft to
operate. I know that there will be some submissions for the PSO to operate these aircraft. What is
1295 interesting is if a PSO came, or the result came, and the operator was going to bring in three, four,
five, six Islanders, would we have to reconsider widening the runway? I suspect we would because
then you think, well, what is the point? But then we get to the situation where if Aurigny were to
operate such a service they would have to dispose of their Dorniers. So all these subjects are
heavily interlinked.

1300 Now I went to one Alderney Liaison Group meeting a while ago, I was invited just as an old
retired pilot – I was told I had not flown for 20 years a while back, but I actually flew last year – to
express my view. My view was that if you want to do the best you can right now for Alderney you
reinstate the 23 m width so that the Dornier can land in the cross winds that it is designed to do.

1305 Then we come now to this abrogation at the moment, or alleviation, that Aurigny have got to
land a Dornier with this narrow runway. That could be withdrawn tomorrow for lots of possible
reasons, so we are currently in a high-risk situation regarding continuing operations to Alderney
and that is not a good situation to be in. I am not going to go into why that could be withdrawn –
you get accused of scaremongering then, but it is an alleviation and they can be withdrawn
without notice.

1310 So my view is that today the best aircraft to provide a regular service to Alderney which can
land on grass, would not have to care about the cross winds in Alderney, is actually the Islander.
Believe it or not, there is another aircraft that is slightly better; it started production in Italy this
year, for deliveries, for nine passengers and a single pilot which is even better. You could buy six
or seven of those for one Dornier.

1315 I also know that it is possible to provide an Alderney service with these smaller aircraft which
requires no subsidy. Now, here is the criteria: if you say to an operator, ‘You can provide a service
which satisfies demand,’ they can do it; if you say to an operator, ‘We want this service level
agreement. We want a plane every hour, every day,’ then you will have to pay for it because a lot
of them will be flying with one or two passengers.

1320 So the possibility of a regular air service to Alderney is there now, and I think it is possible and
quite probably could be provided for no effective subsidy, or a mild subsidy as compared to what
is being suggested is the requirement for operating the Dorniers.

1325 Now I have to say a few words about that because what is being quoted here this £3.2 million-
£3.3 million cost of operating the Dorniers is very much historical over the last couple of years
where they were operating some old ones. There were problems with fuel supplies in Alderney so
they could not take on fuel which affected the pay load. Hundreds of cases were being delivered

around the UK by taxis from Southampton as far as Glasgow, I am told, because they could not use the pay load of the aircraft. That has all gone. Aurigny now have got two new Dorniers, one old one, and I would expect that you could not consider the past heavy cost associated with the introducing this aircraft.

1330

So, sir, we are in a reactive position now, as we were with Guernsey Airport 10 years ago that runway was crumbling, its pavement classification number which determines what aircraft can land was being reduced, jets were precluded from landing there, we were down to the ATRs, we could have gone down to only Trislanders, and then fortunately we managed to actually do the work. They are not far from the same situation in Alderney.

1335

I am told that this recent superglue overlay they have had – I will call it that, it is called rhino something – has got a three-year life. I am told it is already deteriorating. That would have to be confirmed by experts and the suggestion is that in 18 months that runway will be basically unusable by the Dornier, now that is not a good situation to be in.

1340

We need the result from the PSO that could affect what we do in spite of the Propositions we have got, because we are only going forward at the moment with a full business case. The way everything is written and done we could even, with our Option 3, add on an extension to the runway if that became an issue in the near future. It is a modular approach and I think we need to get on with the business case as soon as possible, but primarily we need a result from the PSO.

1345

I personally would support an Islander type operation with whatever number of aircraft it took, and that is my personal view, whether you like it or not, because it would provide – I know he is standing, I am not ... That is my personal view and if we had that information now it would make life a lot easier, but we are where we do not want to be. My view is that this amendment needs to be kicked into touch. I will be quite happy to put a £2.50 black bag sticker on it and put it in the bin. *(Laughter)*

1350

I will give way to Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

I am never sure whether Deputy Kuttelwascher is supporting STSB or not! *(Laughter)* But I can perhaps assist on his suggestion that somebody might operate the Alderney services at no cost. My understanding is that all of the bidders for the Alderney PSO want a substantial subsidy.

1355

Deputy Kuttelwascher: Sir, it just reflects what I said. It depends if you decide to put in a service level agreement which is uneconomical or whether you ask people to operate something which satisfies demand.

1360

If I was operating a PSO I would ask two questions. The first one would be what can you do without a subsidy, and then look at what you can do with some subsidy. But what is interesting – I know one of the operators and I am going to mention it: Deputy Soulsby mentioned helicopters; one of them will be capable of providing a helicopter Medevac service, and I also know what the cost would be and it certainly would not be the £60-odd thousand that you pay for one of the helicopters from the Coastguard in the UK. It would almost be small change.

1365

So there are possibilities out there, and I think they need to be pursued and taken very seriously. But right now the risk is there for Alderney that that runway could be closed at quite short notice and that is not an acceptable situation, so let's just get on with it.

1370

Thank you.

The Bailiff: Alderney Representative Snowdon will make his maiden speech.

Alderney Representative Snowdon: Thank you, sir.

1375

It has been an interesting debate so far and I thank Deputies for debating quite a lot of aspects of Alderney.

I first came to Alderney when I was three days old and we do have a lot of major issues to sort out but I hope we work together with Guernsey and move forward.

1380 Just going back to the runway, the States of Alderney is fully supportive of Option 3. We do not support this amendment at all, we would see the runway increased to 23 m instead of 18 m.

1385 We do have safety concerns. My understanding is that the runway is on a derogation from the Director of Civil Aviation in Guernsey – someone can correct me if they want to – which is basically an exemption for the 18 m. We need to get it back to 23 m, it is absolutely critical. The option would see positive draining and a main runway and back to that 23 m, also centre lighting which would reduce going around with approaches.

Option 3 has a lower capital cost than Option 5 and we are very much supporting it.

1390 Just looking at the history of this sort of project, it has been going on since 2013, that is six years. To be quite honest, the States of Alderney has the same issues of actually getting projects up and going. Implementing them is a really tricky thing, there is a lot of talk, a lot of reports but actually getting it done, the final hurdle seems to always be there and we never seem to quite achieve it, for some reasons. We have got a new States now so hopefully will move forward.

1395 Some of you may remember Paul Arditti standing before you where I am. He brought you a requête in January 2014 and I believe it was agreed that the runway would be made suitable for the next 25 years. So again that was quite a long time ago, we are now 2019 and we are still debating the runway in Alderney. Five reports later undertaken.

The runway was last renewed 20 years ago in 1999. It has had the sticky plaster, as referred to by some, but it is not good enough. I believe there is only 18 months left or so before the question of the runway ... how we actually move forward with it.

1400 I think the worst-case scenario is if we do not actually get this up and running today with this proposal passed, how long is this going to take, because it is not going to be done in a year's time; we are lucky to actually get it done while we have got those 18 months in play.

1405 I believe there are quite a lot of questions about the 1948 Agreement. Just to give a little bit of comfort to everyone, my understanding that Policy & Finance Committee in the States of Alderney has agreed that we will look at the 1948 Agreement and we are willing to have that conversation with the States of Guernsey. However, we do feel it should be independently chaired so it is fair for both parties and we are willing to have any conversations tomorrow or whenever you want about that. So we are not holding back on that at all, we just want to make sure it is fair for Guernsey and Alderney.

1410 Going back to the runway again – off track again – the runway is a transferred service under the 1948 Agreement and at the moment the States of Guernsey has an obligation to provide an airfield, but some may say that is the runway in today's modern environment and that is really the situation, and we will be looking at that 1948 Agreement with both parties hopefully moving forward.

1415 The ferry – I am not quite sure how a ferry can be delivered as an alternative instead of a runway and Airport in Alderney. It would absolutely kill Alderney's economy. How would you deal with Medevacs, how would you get people needing medical attention down to Guernsey urgently? Are we going to put them on a ferry in the middle of the winter, and what happens when the ferry does not sail? I do not see how it is going to work. We have had the Little Ferry which has been very successful in the summer term. However, it is seasonal. An all year-round ferry to replace the Airport is not the way forward and will actually make Alderney go backwards. I do not think either of us want to see that going forward.

1425 Also what requirements, if we did have a big ferry, would be needed down the Harbour? You are talking quite a large investment and heavy subsidies, as some already have highlighted. It is not the best way forward and I think the States of Alderney and probably the people of Alderney would definitely say, 'Yes, we like our Little Ferry and would maybe like a bit bigger ferry, but we definitely need that Airport.' It is absolutely critical to everything, whether people living, tourist economy, everything on the Island and business developments, that we have that Airport up and operational.

1430 Just going back to the amendment, it seems to be getting a little bit confused about Aurigny and a runway. Obviously Aurigny is who serves us; however, when we keep going on about the

runway we are confusing it with Aurigny and the PSO. It is really important that that runway is delivered. I am happy to have, and I am sure the States of Alderney is happy to have, any conversations you wish with any of the topics but when we try and connect it to Aurigny the whole time, I do not feel it is helpful and we cannot just say that Alderney is not going to have any light airline depending on the outcome of the PSO. I think we heard there were some submissions already for the PSO which is absolutely excellent and we look forward to being involved in that process.

I am just trying to see if I have got any more questions. I think the main thing I would like to sort of get across to everyone is today is the day when we can take this forward, this project, to actually tick that box and move forward and get on with other States' business, rather than going round in circles. This does happen in the States of Alderney as well, and I would really encourage Members and Deputies to support this and move forward.

I met some of you, but I am really hoping to work with most of you and all of you together and meet you and have a better connection between Alderney and Guernsey. We are the Bailiwick and it is time we start working together.

Thank you very much. *(Applause)*

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I usually write my speeches on a pad this size but today I have written my speech on a pad *this* size. *(Interjections)* **(A Member:** How many pages?) *(Laughter)*

Sir, let's not have any more procrastination, the work needs doing, let's reject this amendment and get on with the work; and I ask for a recorded vote please, sir.

Thank you.

Several Members: Hear, hear.

The Bailiff: Deputy de Lisle.

Deputy Mooney: Sir, I would like to invoke 26(1).

The Bailiff: Invoke 26(1). Would anyone who has not yet spoken but wishes to do so, please stand in their places? Do you still wish to invoke the guillotine?

Deputy Mooney: I do, sir.

The Bailiff: In that case, I put to Members the Proposition that debate be closed. Those in favour; those against.

Members voted Contre.

The Bailiff: Debate will continue.

Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

I wanted to make a point with regard to *per capita* costs. It is something that comes under the rationale for this amendment and in terms of the rationale for the amendment, given the context of discussions with regard to the 1948 Agreement and the fact that this is a transferred service. I would suggest that the capital cost is in the region of £200 rather than the £6,000 that are being placed in this particular amendment.

That being the case, the numbers have to be actually derived across the Bailiwick rather than just across Alderney, and when you do that, in fact, the capital cost per person would be about

1480 one sixth of the capital cost *per capita* for the Guernsey Airport runway rehabilitation project. So that is a fairly important point – that in fact we are only dealing with a small number proportionately *per capita* cost compared with that for the Guernsey runway.

The other point that I would like to make is that the runway provides an essential social and economic lifeline for Alderney, the Guernsey-Alderney route is designated as a lifeline route and the States of Guernsey are required, through the transferred service, to provide that facility. In fact it is an obligation to make the runway fit for purpose for Alderney's connectivity.

I did look at Option 2 which was £9.5 million. It would have saved a couple of million. The only problem with that is that it does not include the operational enhancements of the Airport ground lighting, the centre line lighting, the replacement of the existing approach lights and the upgrading of the LED light fittings and installation of the dedicated drainage. When I looked at that further the operational lights, particularly the centre line lighting, has to be put in when the runway is rehabilitated with a new surface, and so has the drainage. So it is all part and parcel of the plan. So to eliminate the £2 million did not make a lot of sense from that point of view.

So my conclusion on that was to go for the Option 3 which is the £12.2 million project.

1495 Thank you, sir.

The Bailiff: Deputy Trott.

Deputy Trott: Thank you.

1500 Sir, Deputy St Pier said in his opening remarks that once again we are making a decision out of order, and I have to say that when I heard Deputy Kuttelwascher speak I regarded his comments as an absolute revelation, because nobody in this Assembly, or to my knowledge, has had any sight of these PSOs, but I too had heard similar rumours to those that Deputy Kuttelwascher alluded to and that is that one of the PSOs has made a particularly attractive bid and has said that they do not need an ash felt surface – a grass surface would be sufficient.

1505 Deputy Kuttelwascher who is by far the most experienced pilot in this Assembly – (*Interjection*) What? What did I say, Deputy Kuttelwascher? It is not what I meant – is by far the most experienced *airline* pilot – made clear that the key thing when you are coming into land is having the wind on the nose because you can stop almost immediately and it is an altogether safer environment.

1510 Now I can confirm, sir, that with the exception and possibly including Deputy Kuttelwascher, I have probably flown into Alderney as pilot-in-command under my own steam more than anyone else in this room. I once did that eight times in one day so his appreciation of aviation matters, whilst second to none, I am able to –

1515 **Deputy Fallaize:** Eight times in one day?

Deputy Trott: Eight time in one day, yes, absolutely.

1520 **Deputy Fallaize:** Were you lost? (*Laughter*)

Deputy Trott: No. It is an expression of my affection for the place, Deputy Fallaize. (*Interjections*) No, I was helping getting people to and from an event in Alderney and I enjoyed the day enormously.

1525 But the point is that the wind on that particular day varied considerably. Had I had the option of being able to land on a variety of grass runways into wind, which of course some places in the UK provide, then the event would have been even safer.

1530 So the point is we are making a decision and we really have no idea at this stage which PSO we are going to accept, what the costs of that are, or indeed what the solution provides. That is a very material development; the first I heard of it was during the course of this morning's debate.

Now there is a clear take-away from today's discussions and that is there is little, if any, doubt that the 1948 Agreement is no longer fit for purpose. It has to be revisited, it has to be revisited properly.

1535 However, I recall with some bemusement not too many weeks ago former Alderney Representative Louis Jean jumping to his feet and imploring this Assembly to put me back in my box, because I was unfortunately in his eyes saying a few things that he was uncomfortable with.

1540 Of course one of the things that we need to understand is that, Aurigny for instance, the Bailiwick's airline, undertakes 40% of its rotations serving Alderney, a community of 2,000 people, and only 60% of its rotation serving a community of 63,000 people. There is enormous bias, enormous preference, enormous favouritism towards Alderney wherever you look.

Now there are two things, in my view, that are fundamentally wrong with our relationship with the northern Island. The first is the community in Alderney has, in my view, a completely unrealistic expectation and understanding of the levels of subsidy that our outdated Agreement provides.

1545 Secondly, and this was not palatable to former Alderney Representative Louis Jean – I doubt it will be palatable to some people in this Assembly today and indeed some in the hearing gallery – but Alderney politicians do not help with regard the accurate flow of information to their electorate, and as a consequence that role has regrettably fallen to others, myself included.

1550 I am going to finish with a – because I could start repeating all of the – (*Interjection*) extraordinary differentials between the smaller community and ours, but I think the point has been well made over recent weeks.

1555 But I will end with this. I do not know if this is accurate or not because this comes from *The Guernsey Press* on Tuesday, 29th January, and the reason I say I do not know if it is accurate or not is because what I do know is that the *Alderney Journal* has been guilty of writing some quite extraordinary comments, inflammatory comments, unhelpful comments, inaccurate comments, over the course of the last few months. So if this is true no doubt we will be advised at some time, but if it is true it shows the problem with the relationship, and it is a quote attributed to the Head of Alderney's Senior Committee, Mr Dent, and it says: 'As for concerns aired over the £12 million cost of this project ...'

1560 Remember this is a project that has grown over six years from an estimated £2 million to a staggering £12.2 million in just six years. Now I was advised earlier that construction inflation in Alderney was galloping ahead but clearly nowhere near to those levels. This is what Mr Dent is reported to have said: 'As for concerns aired over the £12 million cost of the proposed project, Mr Dent retaliated Guernsey is not short of money.'

1565 Now whilst that attitude prevails, a constructive renegotiation of the 1948 Agreement will be difficult. I do hope that the two Alderney Representatives take that back home and make clear that the taxpayer of Guernsey is no longer prepared to have unconditional handouts, which is effectively the environment that we are currently operating in, unless there can be proper economic justification for those extremely high subsidies. (**A Member:** Hear, hear.)

1570 Thank you, sir.

The Bailiff: Deputy Yerby.

Deputy Yerby: Thank you, sir.

1575 I am standing as a favour to the top bench because I can see from the coats and collars and scarves that they are still in need of a bit more hot air in the room, although I am surprised that after the last speech they have not all come off. (*Laughter*)

1580 Sir, I want to pick up one point that has not yet been raised in this morning's debate, and it came in Deputy St Pier's opening speech, which I am afraid confirmed my worst fears, because Policy & resources do have a bit of form on this point. We will give them direction to do something where they retain a bit of discretion and they will say to us, 'Well okay, we have heard

your direction but we are still going to use the discretion we retain to do exactly what we wanted to do in the first place.'

1585 What I want to say to P&R is that if this amendment is rejected it must be read as a rejection of the intention to consider the factors they have set out in it and to consider the business case against the investment objectives that it was created against in the first place.

1590 I would also ask for assurance from the President of STSB that if his Committee finds itself in deadlock with P&R because P&R are insistent on returning to the terms of the amendment in its review, that he and his Committee will break that deadlock by bringing the final business case back to the States if need be? (**A Member:** Hear, hear.) Because, sir, I do not think that we should entertain any further delay on this.

1595 The matter that has prolonged this debate this morning has been the question of the review of the 1948 Agreement with Alderney, and quite understandably, because our relationship with Alderney is one of our most important constitutional relationships I think for both Islands and it is matter ... this concept of the review has become more and more real over successive discussions that have an Alderney element to them without us as an Assembly having been engaged on precisely what the review would entail, what mandate we are willing to give to P&R to renegotiate, because it seems to me increasingly from the comments in this Assembly today that not all of us share Deputy Trott's view on what Guernsey's relationship with Alderney should be. 1600 Not all of us have the same, and there probably is not a single unified opinion on what the future should look like, but it is important on something that is of profound constitutional significance and that has the potential to deeply affect relationships within and across both Islands, that P&R do not go haring off on a review that sours relationships in a way that will take us a very long time to recover from.

1605 So it is important for us to draw some lines in the sand to be clear what it is that we might expect a review to include and not to include; and as Deputies Soulsby and Le Clerc have pointed out, the Principal Committees providing transferred services have not yet been consulted on any such review, but it is a conversation that the whole States in Guernsey and in Alderney need to be having as well.

1610 I think we do need to turn a mirror on ourselves and to make sure that the demands that we are making of Alderney are reasonable. In the early part of this debate a lot of people were saying there is an urgency to renegotiate the Agreement this year; well, Deputy Tooley pointed out the logistical problems with that. I am not sure where the urgency has bubbled up from. There is also the matter of equality of arms, Alderney are asking for an independent third party to be involved. 1615 One of Alderney's politicians reminded me this morning that the Alderney Civil Service is about five and a half people. Well, how would we feel if we were going into Brexit with the combined might of five and a half people behind us to help us sit down and have sensible conversations with the UK. We are drawing the collective strength of all our Law Officers, of many of our senior officers from many of our Principal Committees to help us go into that discussion with some kind of equality of arms. Can we not do justice to Alderney in the same light? When we are saying to 1620 the UK you need to represent our interests despite your own, even when they are different to your own and we are really wanting to hold them accountable for doing that, can we not turn the mirror on ourselves and make sure we are doing the same in our relationship with Alderney? Because I have heard far too little of that so far, and particularly from the top bench.

1625 Sir, in respect of Alderney and in respect of connectivity the buck stops with P&R. Yes, it is absolutely true that we have made decisions about connectivity in the wrong order throughout this term, but the one unifying piece, the review of connectivity, sits with P&R and if they were still waiting for that (**A Member:** Black holes.) we would have done nothing on Open Skies – I mean from my perspective perhaps to the good – but nothing on the PSO, nothing on Aurigny's planes. 1630 We would still be waiting to do anything to tackle one of the defining issues of our term. In other words, sir, P&R's track record on both Alderney and on connectivity has been so poor so far that this amendment can only inspire distrust; and if it fails, sir, I hope that P&R will have the grace to

recognise that this is a direction from the Assembly not to pursue the agenda it sets out in the amendment and to get on immediately with the work set out in this policy letter. (*Applause*)

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The Bailiff: Deputy Brehaut.

Deputy Brehaut: Please, I have not started yet – (*Laughter*) very generous of you all the same.

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Just in the interests of scene setting to demonstrate our commitment to our northern cousins. I was going to say an email, but a letter sent in 1985 by Secretary to the Home Office, Mr Bampton, to John Kay Mouat in Alderney, he writes the following. This is in reference to the Breakwater:

The current maintenance programme is running at some £600,000 a year ...

Remember this is in 1985:

... and we now find that we are in the untenable position in seeking this amount. It follows that the more cost programme judged necessary is simply a non-starter, equally should a disaster occur I fear that you would not be able to look to for us with any confidence for money to remedy the situation ...

It goes on to say:

To complete the bad news, I am being pressed to take steps to withdraw UK financing for the breakwater and to run down our contribution over the next few years by seeking progressive significant increases in the Alderney contribution.

and further:

... in these circumstances I think there is little option but to shorten the breakwater.

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I think that is the origin of conversations that happened a great deal in Alderney with regard to the length and the maintenance. Remember now that was in 1985. So in 1987 the combined expenditure that is capital with a total expenditure on the Breakwater: 1987 was £435,000; in 1988, £632,951; 1989, £590,000; 1990, £1,147,000. So the combined expenditure over that period, sorry between 1987 and 2016 was £15,182,000. If you re-inflate that you get a figure of about £24 million. So Guernsey's commitment to Alderney, there is no doubt.

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Guernsey has invested a great deal in Alderney, and I consider myself – I do not have the same sentimental attachment that other people have – I think there was perhaps a generation before me that took regular summer holidays in Alderney; we never did any of that, but I have a great affection for Alderney, and believe that we have demonstrated a clear financial commitment to the Breakwater, but also in committing that money to the Breakwater and to the Alderney Hospital. We have to give Alderney the only hope it has in paying some of that back. The only way you can do that is to ensure that Alderney has the very best infrastructure to deliver for itself. The runway really is the mechanism which gives Guernsey the ability to have a return on the money that it has already spent.

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1660

What I am left wondering is just what is the role of the Alderney Liaison Group? We have a political mechanism (*Interjections*) which is supposed – I am wicked at mixing my metaphors, I will be careful – to iron out all the creases, to deal with all the problems before we get here. I would have hoped that that mechanism of the Alderney Liaison Group would have done all of that rather than to air – to use another metaphor – to wash so much of our laundry in public.

1665

The only question I have for our new Alderney Representatives at some point is I believe that in the past the Alderney gambling revenues have helped in capital projects. I was in this Assembly when e-gambling was seen as the *panacea*, the cure-all, that this was the turning point for Alderney. E-gambling is a multi-billion dollar industry. I do not know currently – I could have looked, I beg your pardon – but I do not know what the revenues are currently, but just what more can Alderney get out of that arrangement with these huge gambling organisations that take

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billions of dollars probably every minute, every day? Certainly if we think about it, just what is there for Alderney in that arrangement?

By the way, sir, I was absent, hence I am not dissenting from the E&I party line, it was just that Deputy Dorey signed the letter to STSB in my absence.

1675 Thank you, sir.

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Thank you, Mr Bailiff.

1680 Sir, it was pretty inevitable with an amendment such as this that the debate would ensue as it has, I think, and perhaps it helps us to some degree to justify that, because I think probably if the amendment had not been laid we would have got into these sorts of arguments in any case.

1685 Sir, I think the amendment, as it has been alluded to by Deputy Fallaize and others, is in all but name a *sursis motivé* and I personally feel it would have been a derogation of duty if Policy & Resources had not laid that amendment, because from time to time it is important that we stop and think before we rush into making decisions. (**A Member:** Hear, hear.) I think it is absolutely essential bearing in mind that we have already raised the issue of reviewing the 1948 Agreement, which it seems that the majority of us are, including our Alderney Representatives here, in agreement that the time has come that that needs to take place. Sir, therefore the Propositions as they are laid before us need to be put in that context.

1690 Sir, one of the dangers I found when I first entered this Assembly in 2000 when our annual surpluses were in the tens of millions was that it was just too easy for this Assembly to come and consider a capital project of some millions and to take that in isolation because it was effectively a first come, first served type environment. We are not in those days any longer and it is important that we consider seriously when we are faced with costs of these types whether to continue down this line is an appropriate way of continuing.

1700 Sir, like Deputy Parkinson, when Representative Roberts yesterday mentioned the Isles of Scilly I too did a little bit of research and the transport arrangements, which seem to be one company that provide both the ferry link and the airlinks to the Isles of Scilly, are in fact heavily helped by grants and assistance from the UK and elsewhere. In fact the Isles of Scilly have had, I note, over the last few years £33 million of grant aid from the European Union. (*Interjections*) Similarly, Council Kernow – I hope I have pronounced that correctly from Deputy Soulsby's point of view – the Cornish County Council, recently have considered the need to rebuild, to provide, to procure a new ferry for the Isles of Scilly at some £17.5 million.

1705 I will give way.

Deputy Parkinson: Sir, Deputy le Tocq may be correct that the Isles of Scilly have received substantial grant aid; the accounts of the ferry company report public grants last year of £68,000.

1710 **Deputy Le Tocq:** Sir, I understand that, but I understand similarly that they are dealing with old vessels that they are not able to renew and they are looking to Cornwall to provide the facilities to renew those.

1715 Similarly, whilst it is impressive and I am as impressed as Deputy Parkinson in terms of the numbers of visitors and the visitor economy there, it has to be said that the vast majority come by sea not by air. So I think, sir, we certainly need to look at this in the round.

But having said all that, sir, I am certainly one for sitting round a table and working together in a consensus environment to enable that to happen. It was on that basis, sir, that a number of years ago I suggested the formation of the Bailiwick Council, because I think that is the only way ... we need to resolve our own problems. We have discreet issues that affect us all.

1720 We are in fiscal union with Alderney, we are not with Sark and that does make a difference. I think the Sark solution to some of these things is very different, obviously, to the Alderney

solution. But we are also not in the 1940's, we are not in the post-War period, and expectations are very different today than they were in the post-War period.

1725 I would hope, sir that this amendment at the very least – and I will certainly still be voting for it because it does not disagree with the preferred option and that is the main thing here – it is just a matter of timing, and I urge this Assembly to think very carefully before, out of perhaps sentiment or obligation, just blindly following a route which needs to be taken in a broader perspective.

1730 I welcome the opportunity to get around the table with our Alderney Representatives and to talk in detail about much wider things: the development of their economy, their population, they are facing the same demographics as us, but I think with a different type of immigration and population dependency, a different type of offer that they are available, particularly because of their housing market and therefore we do need to talk about these things in the round, in the whole, not in isolation which is the danger of this particular debate –

1735 I will give way later.

Deputy Inder: Thank you for giving way, Deputy Le Tocq.

1740 But I am just intrigued, it is fairly substantial capital spend and you are talking about communication and working together; why didn't Policy & Resources know this was coming and talk about it before it got to the Assembly?

A Member: Hear, hear.

1745 **Deputy Le Tocq:** Well, I think that was ongoing, sir. It is the nature of this, the way in which we work through committees, and it is the right of STSB; I do not deny their right to bring this policy letter forward, they are doing that, but we are often faced with issues that if we were in control of the timing, we would say, 'Well, that needs to be done in this order.' In my mind this is not the best order to do it, because we are duty bound, I think, to put it in the context of what is appropriate today for Alderney. I do not believe that doing what is proposed under Option 3 for the runway is going to make a huge difference to their economy that some people are suggesting. Therefore we need to see very seriously, with the limited resources that we have got, where should we best be investing them.

1750 I will be absolutely clear, I am not against spending £12 million of Guernsey taxpayers' money on Alderney – (*Interjection*) and Alderney's, yes, but Alderney residents are Guernsey taxpayers', that is a fact. So I am not against that. The question is we have not got an unlimited supply, therefore where should we direct that? That is why it is good to spend a moment to stop and think particularly whether this is the right route to take at this time.

The Bailiff: Deputy Graham.

1760 **Deputy Graham:** Thank you, Mr Bailiff.

1765 I think it is clear, certainly to me, that this amendment is going to fail. But I would say that it has served a purpose (**Several Members:** Hear, hear.) because I think it has elicited, at least by my count two speeches which told me something I did not know already. One was from Deputy Parkinson and I think the comparison he held up between the relative health of the visitor economy in the Isles of Scilly and that in Alderney was extremely thought provoking, and I think we really ought to – when I say 'we' I think Guernsey and Alderney ought to – give some thought to that.

1770 Interestingly, I think the runway in the Isles of Scilly is actually shorter than the one in Alderney. It is just under 700 m in my view. Again interestingly, I think the airport is not open every single day. But that is for another day.

The other illuminating speech was from Deputy Jan Kuttelwascher, I have on a previous occasion used the privilege afforded to us when speaking in the Assembly to say, 'My friend, Deputy Kuttelwascher, I would fly with him anywhere, but it is when he gets out of the cockpit

1775 that he makes me a bit nervous,' (*Laughter*) and I think that nervousness was shared by Deputy Ferbrache who was visibly wincing during his speech, (*Laughter*) but there we are.

1780 He makes an interesting point and I could detect his excitement at the potential revival of the Islander and it was an excitement, I think, shared by Deputy Trott. There is a sort of irony in this, though, Members of the States, because I think both Deputy Kuttelwascher and Deputy Trott were on Treasury when the States of Guernsey effectively bought out Aurigny and installed a board there. (*Interjection*) No? Oh, well, anyway, whoever did installed a board who clearly knew nothing about running a regional airline and got rid of the only person in Guernsey who did at the time, but there we are. Interesting thought, and again I think one awaits the outcome of the PSO with some interest.

1785 To return to the amendment, I think the reason it is going to fail is in my view because at its core is predicated really on the fact that the timing is wrong and the best timing is post review of the 1948 Agreement, or the relationship between Guernsey and Alderney. Now in my view, that only holds up as a justification for the amendment if they are really saying that there is a serious prospect that at the end of that review Guernsey is going to cut Alderney adrift and effectively decommission both the Airport and the runway there. There is no other justification or no other
1790 logic in my view to saying let's postpone it until after we have had the review of the relationship. I do not think there is a serious prospect of saying to Alderney, 'You are on your own, you are going to rely totally on links by sea.' There may be a mixture, but to postulate that the relationship might produce Alderney without an Airport and a runway is just not a serious prospect at all.

1795 Now I think there is a genuine question as to what that Airport might look like and that is certainly up for further thought. I really feel that the narrative surrounding the amendment, which consistently returns to this business of *per capita* equivalents and so on, is really a false one, because the cost is what it is, and if you were to say on the one hand that anything we spend in terms of infrastructure in Alderney needs to be on relative *per capita* equivalents with that in Guernsey, we would finish up there with a runway that was tiny in the extreme and no use for
1800 landing aircraft or letting them take off. The lack of logic there I think is a clear weakness in the argument.

Inasfar as this is conflated at all with the overall relationship between Guernsey and Alderney, I do agree with the analysis of Deputy Roffey. As Deputy Inder pointed out, I think Deputy Fallaize was going down a false alley when he was drawing a comparison between Theresa May and the
1805 European Union in terms of Guernsey writing the cheque.

The fact is that realpolitik really is a real factor here, and I think it would be a tragedy really if discussions and consultations between Guernsey and Alderney on the future relationship were to fail to get started over this issue of an independent chairman. I can understand their nervousness because to go back to the central point behind the amendment, that there is a serious prospect
1810 that at the end of the review we would be casting Alderney adrift, that would make me nervous if I was a resident of Alderney. But I do not think there is a serious prospect of that.

I would say, 'Do not draw a red line over the independent chairmanship. Rely on a certain amount of goodwill.' There may even be somebody in Guernsey who would be acceptable to both sides to actually chair the thing, but I think you have to accept the realpolitik that Guernsey is, in
1815 this instance, the payer of the cheques and that is actually a factor you cannot get away from.

The Bailiff: I see two of you standing. Do either of you have very short speeches that we could ...?

1820 Deputy Leadbeater then.

Deputy Leadbeater: Thank you, sir.

My speeches are always short.

In the explanatory note the Policy & Resources Committee asked that:

... the option appraisal includes the examination of ferry service to replace the current requirement to run an airfield.

1825 Now, I do not think you need to be an expert in air and sea connectivity to be able to understand how important an Airport is for Alderney, you just need to be one of two things and that is either from Alderney or from Guernsey, and we have got a room full of people that fall into each of those categories. So can we just get rid of this amendment and crack on with things, please, sir?

Thank you.

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The Bailiff: Deputy Dorey, will you finish before 12.30 p.m.?

Deputy Dorey: Yes, it is only just a couple of minutes.

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The Bailiff: Okay.

Deputy Dorey: Thank you, Mr Bailiff.

The Bailiff: Well, you have got 35 seconds.

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Deputy Dorey: Well, not quite, but about two minutes.

Since I was a member of PSD in late 2014, I have been aware of the condition of the runway and the need for this project.

1845 I cannot support the amendment due to the uncertainty of the timeframe to review the relation between the Islands and the dependency on that review.

At the presentations given to States' Members, some Members asked about reassurance about whether the project was still necessary whatever the outcome of the PSO, and the one thing which I think Deputy Trott highlighted was since Deputy Kuttelwascher's speech we certainly have some doubt about whether the project is needed because there are perhaps some outcomes of the PSO which would mean that it is not needed.

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So I would like to ask Deputy St Pier a question because the amendment has the dependency on the review but perhaps it should have had a dependency on the PSO. So I would ask: will P&R consider, when they consider the business case, the outcome of the PSO tender before they reach a conclusion on the business case, because to me that makes sense.

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We are committing a considerable sum of over £12.2 million, and I do not think anybody in this Assembly wants to commit that money and then have an outcome of the PSO which means that it was not necessary. So I think the Assembly needs an assurance. Will they consider the outcome of the PSO before they make a decision on the business case or will that be one of the factors? I think that will give the reassurance to the Assembly that it needs.

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Thank you.

The Bailiff: We will rise now and resume at 2.30 p.m.

*The Assembly adjourned at 12.31 p.m.
and resumed its sitting at 2.30 p.m.*

**Alderney Airport Runway Rehabilitation –
Debate continued –
Propositions carried**

1865 **The Bailiff:** We resume debate on the Alderney Airport Runway Rehabilitation and the amendment thereto.
Deputy Merrett.

Deputy Merrett: Thank you, sir. I will be very brief.
1870 I do feel that we have spent a substantial time on this and, to be totally honest, sir, Deputy Yerby completely stole my thunder and said exactly what I wished to say but, as usual, far more eloquently. But what nobody has picked up and I wish to pick up on is this: when the President of P&R and President of STSB respond to this debate, I would ask them, please, sir, to use language that is suitable for a parliamentarian.

1875 I do not believe, actually I am not sure, maybe Deputy St Pier can advise me, when he used the term 'infectious sore', was he referring to the 1948 Agreement, was he referring to Alderney or was he referring to the airfield? I would like to believe that he was referring to the 1948 Agreement. I strongly believe that when you are going to go into negotiations with another Government, which is the States of Alderney, that to do so on the premise that something is an 'infectious sore' is not particularly a good starting place.

1880 So, please, through you, sir, to the President of Policy & Resources and the President of STSB, when replying to this debate, can we please try to be respectful and can we please try to use language that is suitable for this Assembly?
Thank you, sir.

1885 **The Bailiff:** Deputy Green.

Deputy Green: Sir, thank you very much. I can be brief, as well.
1890 I rise to oppose the amendment. Principally, I cannot support the amendment because I believe that this amendment would effectively be making a pre-condition of renegotiation of the 1948 Agreement before the rehabilitation of the Alderney Runway is done, when rehabilitation is, in my view, undoubtedly required under the Agreement, by Law, without any qualification or condition being present.

1895 It is either an obligation, under the current Agreement, to refurbish the runway, or it is not. You cannot really make such a legal obligation conditional or allied to something else without the agreement of both parties in the first place. I fear that the renegotiation of the 1948 Agreement, as vital as that is, will take some time for that process to be done effectively and thus there would be delay and uncertainty to deal with if this amendment is carried.

1900 I do think, however, that P&R are absolutely right to raise the big issues about the ongoing costs to Guernsey *vis-à-vis* Alderney in the context of this policy letter, because the 1948 Agreement does need modernisation or re-evaluation. Incidentally, I do think actually that an independent chair or some sort of mediator should be considered for the review. I absolutely believe that is going to have to be an element in this, going forwards. If there is going to be a solution that is agreed at, that is going to be necessary to actually facilitate that and for it to be binding on both sides.

1905 But I think P&R should have perhaps put their concerns, valid as they are, into a letter of comment rather than seek to move this amendment. That is my own personal view. The bottom line, in my view, is the relationship today is still governed by the 1948 Agreement and unless or until that Agreement is torn up or re-evaluated we must honour the obligations under it.

1910 Finally, I happen to think generally that a ferry service for Alderney would only ever be supplementary to its air links and not a straight, like-for-like, replacement. But even if I am wrong in that, sir, we need to see the evidence on that. We need to see the evidence in relation to what a

ferry service might be able to do and we know that the policy letter addresses this issue, I think it is paragraph nine, and onwards.

In those circumstances, I will be opposing the amendment.

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The Bailiff: Deputy Langlois.

Deputy Langlois: Thank you, sir.

1920 This will be brief as well. The speech that chimed most with my thoughts was Deputy Parkinson's. I have believed for some time that Alderney has invested far too much in the belief that this runway rehabilitation will have a dramatic effect on their air links and on their economy. I think it is going to have very little effect on the air links. I think the PSO contracts are going to have far more importance to them and I do not think their economy will react in the way they imagine it will do, once this work is completed. As Deputy Parkinson said, Alderney has got other
1925 problems to solve and this runway rehabilitation is not going to solve them for them.

The reason I am mentioning it, I am duplicating, in effect, what Deputy Parkinson said, was because if Alderney follows the Guernsey pattern there will be either disillusionment when the runway rehabilitation does not produce nirvana and, rather than admitting that, people will just say, 'We should have extended the runway when we were doing that work.' That has happened in
1930 Guernsey, we are in the middle of that, and it will happen, I imagine, in Alderney as well.

In some ways this is a prediction. I believe the rehabilitation will go ahead and we will be approving that. I do not believe it is going to have the effect Alderney thinks it is going to have on Alderney's economy and there will be a push for an extension. That is my prediction of the sequence of events after we have approved this and the project has gone ahead.

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Thank you, sir.

The Bailiff: No one else? Deputy Ferbrache will speak on the amendment and then Deputy St Pier will reply.

1940 **Deputy Ferbrache:** Sir, I am going to start where I did not expect to; it really was prompted by Deputy Merrett. She talked about the use of appropriate parliamentary language, so let me quote one of the greatest parliamentarians of all time. A man by the name of Winston Spencer Leonard Churchill, who said, 'Action this day.' That is what we want, action this day.

1945 Deputy Brouard said, in seconding the amendment, a little half-heartedly it seemed to me, but never mind, he said we need to press on with the review but it is still in its early stages. So, even if we were to consider the review, which is a complete red herring, a side-track, it is completely irrelevant anyway, we would be delaying and delaying and delaying.

1950 When Deputy Le Clerc, Deputy Gollop and I attended the St Peter Port Douzaine meeting on Monday – three of the 10 or 11 Deputies, I think, from St Peter Port, attended – one of the Douzaine members said, 'Surely we are not going to get the States, again, just being incapable of making a decision?' I think it is quite clear by the overwhelming content and number of the speeches that that is not going to be the case today; they are going to grasp the nettle.

1955 Deputy Brouard also said can I confirm that Alderney runway is safe? I absolutely give that confirmation. It should be said, but what is being said is that this process, even if the States, which I am pretty sure it is going to in a few minutes, does approve what we are asking for, Option 3, that is still going to take a process. There were patchwork repairs done last September, which are detailed in the paperwork that the States' Members have before you. They have got a limited lifespan and the design phase and the tendering phase will take time. So we have got very little spare time.

1960 The derogation that has been given by the relevant authorities could be – it will not be if it is seen that things are being done – withdrawn at any time. It is not likely to be, if it is seen that the body that is responsible for carrying out or making sure that these works and renovations are carried out carry it out.

1965 Last is always best but Deputy Langlois spoke last and he was saying if it is not the nirvana that Alderney think it is, they will want a longer runway or whatever. I do not think Alderney are saying it is a nirvana. I did not hear either of the able speeches made by the two Alderney Representatives say that. They just say it is an absolute necessity that they have a functioning, workable airport.

1970 You learn things in these debates and I really was very interested in Deputy Parkinson's speech. I did not know – perhaps I should have done the research but I never have – that when you compare even the halcyon days of Alderney, in 1990, when there were about 120,000 people, or just below, using the airport, using the services, that is still 50% of the figures that Deputy Parkinson gave us that are using the Isles of Scilly facilities today.

1975 Deputy Soulsby said, 'What about helicopters, etc.?' The truthful answer, I do not know. Clearly helicopters can use Alderney Airport as it is now, will be able to use it as it hopefully will be in the future. I do not know what part it forms of the PSO because I and the STSB have got no part of the PSO; that is being done by others. But it is another point touched on by Deputy St Pier and Deputy Le Clerc, about the PSO. Can I just quote two passages in relation to that? Firstly, from the policy letter at paragraph 8.4, which says this, and again PSO, it is not a reason to delay:

Whilst no decision on a preferred scheme will be taken by the time bids for the PSO contract close, potential bidders will be made aware that the preferred runway project scheme will not by default include an option for a runway extension and it is therefore likely that the first PSO would include bids that involve aircraft capable of operating on the existing runway length of 877 metres ...

1980 We had that very interesting treatise, really, from Deputy Kuttelwascher, in connection with what kinds of planes, etc., and I appreciate he only flew again last year. But if we look at page 52 of the York Aviation Report, we can see, under Air Service Options, aircraft capability, table 5.1, viable aircraft by runway length. An 877 m runway length, you have got a Trislander, a Dornier, a Let 410 and a Twin Otter. They are all capable of landing on the airfield with a length of 877 m.

1985 Really I do not propose saying anything more than that. I will just in conclusion say this. Firstly, Government should work together. Just as Deputy St Pier, in his opening, said that STSB is doing exactly what it should do; let me say that Deputy St Pier approached me in a very conciliatory, open basis, saying he was likely to bring this amendment – even asked if we would support it. I put it to my colleagues in STSB and both the non-political members and the political Members, they all rejected it, absolutely. But it was done in a perfectly proper, constructive, open way of Government, so there can be no criticism of it.

1990 It was absolutely fine to do. I often have sporting discussions with Deputy Fallaize and Deputy Trott. Deputy Trott and I, of course, are more knowledgeable about football than Deputy Fallaize because of the football team we support. But one of my favourite sports, probably my favourite sport of all time, is boxing. To put it in a boxing analogy, in connection with this, if P&R were the other contestant, the referee would be stopping the contest to save them from further punishment. So I ask you to dismiss this amendment. I know they will get five votes for their amendment. It will be interesting to see if Deputy Langlois and one or two others vote for it as well.

2000 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, unfortunately, the Rules do not permit you, as Presiding Officer, to stop the contest!

2005 **The Bailiff:** I would have stopped it a long time ago!

Deputy St Pier: So I shall plough on.

2010 First thing this morning, when I met Alderney Representative Roberts, he explained that he was obviously new in this Assembly, he had much to learn and was therefore looking for some advice.

One very strong piece of advice that I will give to both the new Members of this Assembly today, Alderney Representatives Roberts and Snowdon, is never ever concede an amendment when it is in debate. So even though I have been advised that support for this amendment seems thinner than the tarmac on the runway (*Laughter*) I will nonetheless press on.

2015 I am going to begin with Deputy Merrett. I did not actually refer to it as an 'infectious sore', I referred to it as a 'festering sore' and one which could infect relationships between the Islands. I was referring there – and Deputy Tindall also raised this point – not in relation to the runway but to the other things that she was referring to. That, in essence, in the context of what I actually said, it is those other issues that if we, as I said, duck them and avoid them then that is what poses a risk.

2020 Now, it is entirely parliamentary language. To quote, I think the individual that is often regarded as certainly one of, if not *the*, greatest Briton, Winston Spencer Churchill, when speaking in the House of Commons as Prime Minister, in a reference to north-east Africa, he referred to the issue there as being a 'dangerous drain and a festering sore'. So it is parliamentary language which I do not resile from.

2025 Deputy Roffey and indeed Deputy Green said that we were entirely right to raise these big issues. I think a number of others have spoken, either explicitly or implicitly, in that regard, too. Deputy Green criticised the lack of a letter of comment. In essence, because of the timeframe the explanatory note was our letter of comment and I think that was intended and of course a similar approach has been adopted in relation to the next item on the agenda, the Scrutiny Management Committee's policy letter where, again, Policy & Resources' views are, in essence, expressed in the explanatory note, which I know Deputy Fallaize does not like to be too long. That is the reason.

2030 It is, as Deputy Roffey said, impossible to avoid these wider issues and he referred to the choice being one of economic independence for Alderney or political union, 'greater political union', certainly I think was the phrase that he used. I think that certainly sums up the issues which are faced in the debate that we are yet to have on that.

2035 I think this is perhaps the issue that is at the heart of this. Deputy Graham, quite rightly, said that there should be no red lines. I think a number of others have referred to that as well. I think Deputy Tindall also referred to that. Actually, if Alderney decide that they do not want closer political union, they would rather have economic independence, if they opt for that choice then where would the runway fit into that debate? Maybe it would be a very large golden goodbye in those circumstances? That is why it is relevant.

2040 Whilst we are dealing with the subject of red lines, I do not think there have been any red lines set by either side, with the one exception of this question of an independent chair, which I think has come up quite clearly in Alderney's representations and I think that is the only red line that has been presented so far and I absolutely encourage and support Deputy Graham in saying that there really should not be any at this stage and it would be far better to work in a far more open spirit in relation to taking this forward. I am going to return to that question because it is so fundamental.

2050 In relation to the ferry issue, Deputy Smithies made reference to that, as did Deputy Ferbrache. No, Deputy Smithies – you are quite right. There was no instruction for the STSB to deal with that but we certainly did ask for it to be done and I think our view is that paragraph nine, which Deputy Ferbrache referred to, I think, is fairly thin gruel in terms of dealing with that list, but nonetheless it is a reflection of the dialogue that we did have.

2055 But it certainly, I do not think would pass the test of being a detailed analysis of all the issues. Indeed, Alderney Representative Roberts, yesterday, was telling us how the summer service had been a success, without drawing passengers away from the air service. So that is an example of the relevance of it.

2060 The point of correction I was going to make in relation to Deputy Gollop, sir, which you ruled out of order at the time was this, that the anticipated cost of the project had moved from £2 million in 2013, to £12.2 million and that was a result of the delay. That is simply wrong. It is

simply misleading this Assembly and those listening to suggest that the six-year delay inflated the cost of this project from £2 million to £12.2 million.

2065 It was entirely due to the scope of the project changing over that period as a result of the various reviews and the work we have done. I am pleased that Deputy Ferbrache is nodding his head, because it plays to a particular narrative, which should not be fed, when the facts do not support it, that delay has led to additional cost. I think it is very important to challenge that point.

2070 Deputy Le Clerc, I think, referred to the PSO process. I want to make clear that it is implicit, a surprise on her part, that P&R were not informed. She suggested that was not joined-up Government. We have no criticism of the fact that we are not involved at this stage. It is quite right that there is a fully independent procurement process, which should not be tainted in any way. There is no suggestion that it is inappropriate, that we have not been kept in the picture. We do not believe we should have been.

2075 But I think we have clearly got a few snippets of information, which have come out of this debate today. Deputy Parkinson, for example, advised us that all of the bids would require some kind of support. If that is factually correct – and I take it, given the source, that it is – there is absolutely no clarity as to who is going to pay for that and who will fund the public service obligation. It is not within the scope of the 1948 Agreement and that, again, drives us back to resolving that issue.

2080 I think Deputy Dorey, in his brief speech before the lunch recess, absolutely nailed it with his question about whether P&R would give an undertaking that they would take that into consideration in exercising their delegated authority in reviewing this matter. But that runs in direct conflict to Deputy Yerby who, in essence, said you need to listen to the mood and narrative of this debate and not take the matters, which were in this amendment, into account.

2085 In response to Deputy Yerby I would say this: the Proposition as it stands, unamended, Proposition 3, gives delegated authority to P&R. It is not a direction to P&R. This debate cannot be a gun to our head that we must approve whatever is put in front of us. We still have to do our job diligently and properly, whatever the outcome of this amendment, in reviewing that final business case. What I say to Deputy Yerby is, if we are not satisfied, if we are not willing to use our delegated authority – we have demonstrated in recent months that, where we are not satisfied we will not do so – then inevitably the matter would, I imagine, return to this States for further consideration.

2095 But I think the news from Deputy Parkinson, the question from Deputy Dorey, absolutely put in the frame the importance of the outcome of the PSO, how that interacts into the 1948 Agreement and who is going to pay for it and how that links into this project. So I think this debate, as Deputy Fallaize said, has helped get us further. I think it has been an important debate and, as Deputy Le Tocq said, whatever the outcome in the voting on this amendment, we as P&R, are not remotely embarrassed to have brought this amendment. It was the right thing to do to generate the debate we have had.

2100 Although there is not a vote on it, it is quite clear from everybody who has spoken, from the position that we have from Alderney, there is unanimous agreement that we need to get on with the review of the 1948 Agreement. It has absolutely come to a head at this point and I think has to some extent been catalysed by this debate as a result of this amendment.

2105 I have had some thoughts during this debate on how we can expedite that, because I do think we need to do so. It would be beyond the scope of this amendment to outline those now. I think it needs further discussion and, obviously, engagement with the States of Alderney as well. But I think it is now a priority that we actually expedite that.

2110 With that, sir, and referring to my opening comments and my advice to Alderney Representatives Snowdon and Roberts, I encourage all Members of the States to support this amendment.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: May we have a recorded vote, please?

2115

The Bailiff: Yes. Deputy Lester Queripel had already requested one.

Deputy Tindall: Sir, I wish to make clear, in case it is not in my speech, I have a direct interest, in that I have a property in Guernsey and a property in Alderney.

2120

Thank you.

The Bailiff: We will vote, then, on the amendment proposed by Deputy St Pier and seconded by Deputy Brouard.

There was a recorded vote.

Not carried – Pour 5, Contre 34, Ne vote pas 0, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Le Tocq	Deputy Graham	None	Deputy Le Pelley
Deputy Brouard	Deputy Green		
Deputy Trott	Deputy Paint		
Deputy St Pier	Deputy Dorey		
Deputy Stephens	Deputy Dudley-Owen		
	Deputy Yerby		
	Deputy de Lisle		
	Deputy Langlois		
	Deputy Soulsby		
	Deputy de Sausmarez		
	Deputy Roffey		
	Deputy Prow		
	Deputy Oliver		
	Alderney Rep. Roberts		
	Alderney Rep. Snowdon		
	Deputy Ferbrache		
	Deputy Kuttelwascher		
	Deputy Tindall		
	Deputy Brehaut		
	Deputy Tooley		
	Deputy Gollop		
	Deputy Parkinson		
	Deputy Lester		
	Queripel		
	Deputy Le Clerc		
	Deputy Leadbeater		
	Deputy Mooney		
	Deputy Merrett		
	Deputy Meerveld		
	Deputy Fallaize		
	Deputy Inder		
	Deputy Lowe		
	Deputy Laurie		
	Queripel		
	Deputy Smithies		
	Deputy Hansmann		
	Rouxel		

The Bailiff: Members, the voting on the amendment was 5 in favour and 34 against – although it says 34 abstained on this sheet, but it is 34 against! (*Laughter*) – 5 in favour and 34 against. I declare it lost.

2125

Deputy Ferbrache, do you wish to reply to debate generally?

2130 **Deputy Ferbrache:** Only to say one thing, sir. It is a point I should have perhaps mentioned, Deputy Yerby's point. I accept completely the good faith of Policy & Resources and what is quite clear, by the most resounding of defeats that makes Mrs May's look like a credible success, they have got to take note of the fact that they would not, in their business case considerations, be able to take account of the Alderney review unless of course it is concluded by the time this work starts.

2135 If they do that, then they would be acting in bad faith. I do not expect them to act in bad faith. We did at one time consider whether we should bring an amendment to take that delegated authority away from them and propose something else. We decided that we were not going to suggest that. But I do say this, in the very unlikely event that they do exercise judgement, which is not of the best, then we would bring it back before the States, for the States to make. I am sure it will be 35-5 then because the person who was not here today would be there and it would be an even more convincing defeat for Policy & Resources.

2140 Other than that, I ask the States to approve all the Resolutions.

The Bailiff: There are four Propositions. I put all four to you together.
2145 Deputy Lester Queripel?

Deputy Lester Queripel: A recorded vote, sir, please.

The Bailiff: Can I just have an indication, is anybody going to vote against the Propositions?
2150 Nobody is standing. Do you still required a recorded vote? No. We go to the vote, then, on all four Propositions. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare all four carried.

SCRUTINY MANAGEMENT COMMITTEE

III. Scrutiny Management Committee – In-work Poverty Review – Debate commenced

Article III.

The States are asked:

Whether, after consideration of the Policy Letter entitled 'In-work Poverty Review', dated 23rd November 2018, they are of the opinion:

1. To direct the Committee for Health & Social Care to investigate improving equity of access to primary healthcare and to report back to the States no later than the end of 2019 with any proposals.

2. To direct the Committee for Health & Social Care to investigate improving equity of access to emergency healthcare and to report back to the States no later than the end of 2019 with any proposals.

3. To direct the Policy & Resources Committee and the Committee for Employment & Social Security to consider the implementation of additional options within the benefit/tax system and to report back to the States no later than the end of 2019 with any proposals.

4. To direct the Policy & Resources Committee to investigate improving data collection relating to in-work poverty and to report back to the States no later than the end of June 2019 with any proposals.

5. To direct the Committee for Employment & Social Security, the Committee for the Environment & Infrastructure and the Policy & Resources Committee to investigate housing policy proposals, to support people experiencing in-work poverty and to report back to the States no later than the end of this term with any proposals.

The Deputy Greffier: Article III, Scrutiny Management Committee – In-work Poverty Review.

2155 **The Bailiff:** Deputy Green.

Deputy Green: Sir, thank you very much.

2160 Members of the Assembly, this policy letter has been two years in the making. It highlights one of the major issues facing people in this Island. Many Islanders – probably around 14% of our people – are working hard but struggling to make ends meet. From the evidence the panel has heard, these people often see no hope and increasingly believe that politicians are unable or unwilling to take action. They also do not believe that anything will change.

2165 This Report is an attempt to change this view and to spur action now. The whole point of politics is to make people's lives better and the purpose of the Propositions in this policy letter is to develop a proper co-ordinated package of work streams, package of action, in the absence of any other immediate States' action to alleviate the issue of in-work poverty.

First of all, it is important to explain why the Scrutiny Management Committee decided to review in-work poverty. The explicit desire set out on the Policy & Resource Plan is for Guernsey to be:

... among the happiest and healthiest places in the world, where everyone has equal opportunity to achieve their potential.

2170 We wanted the Panel, which was led by Deputy Peter Roffey, alongside Deputies Rhian Tooley and Laurie Queripel, as well as non-States' members, Mr Wayne Bulpitt, Dr Sue Fleming and Mr Paul Ingrouille, to examine critically how States' policies were supporting that high-level aim, or not, given the widespread perception that many people in Guernsey are in work but are not feeling that they are making much headway economically.

2175 We were also mindful of the community section of the P&R Plan, which States, and again I quote:

We want to understand better the extent of relative poverty and income inequality in Guernsey and their effects on individuals, families and the prosperity and wellbeing of society generally.

This is then backed up with the specific objective:

To implement the improvements required to monitor, understand and reduce poverty and income inequality in Guernsey.

2180 Sir, it is clear from the evidence that the panel has been party to that there is so-called in-work poverty in Guernsey. The extent of it is a matter that I will come back to but there can be little doubt that the Island is not immune to in-work poverty. It is clear that many of those who are experiencing so-called in-work poverty in modern-day Guernsey are doing exactly what society expects of them. They are working hard, yet despite this they are unable to achieve what most Islanders would consider a reasonable standard of living.

2185 Guernsey, rightly, aims high for its citizens and those aspirations are indeed reflected in the Policy & Resource Plan's expression of making the Island among the happiest and healthiest places in the world to live. But we wanted to tease out the differences, if any, between the rhetoric of the P&R Plan's intention and the reality of daily life for some in our community today.

There is an expectation generally that working Islanders should enjoy a reasonable standard of living. However, what we found from the Review was a clear indication that the costs of living,

2190 particularly, but not limited to the costs of housing, were increasingly driving local people into in-work poverty.

In this sense, the panel felt that the information social contract that exists between the Government and its citizens, that by working hard you can contribute to society and that you should be able to enjoy a reasonable standard of living, is increasingly broken. Many Islanders
2195 caught in this position over time may feel that they have little or no alternative but to leave the Island. In these circumstances we suggest the Government should feel compelled to act.

Before I go any further, we should define carefully what we mean by in-work poverty. In-work poverty is defined as individuals living in households where the household income is below the poverty threshold, despite one member of that household working either full-time or part-time.
2200 The poverty threshold in this context is often defined as a household having less than 60% of average household income, median household income, before housing costs.

Clearly there are different definitions of poverty at play in Guernsey and not everyone, not everybody will be satisfied with the below 60% of median income definition. However, the Policy & Resources Committee itself measures by this yardstick in the indicators of poverty review. So
2205 this seemed a valid approach, if not the only approach.

We are nonetheless mindful that different approaches do exist, such as the intolerable poverty test, which is part of the current policy of the Committee *for* Employment & Social Security, when determining Income Support levels.

The Scrutiny Management Committee has reviewed in two main phases, throughout 2017 and
2210 2018, the current policies and strategies of the States of Guernsey regarding in-work poverty and their effectiveness. The original aim was to make recommendations that would lead to a meaningful reduction in the number of Islanders experiencing in-work poverty.

The SMC has made a number of recommendations that are set out in the Propositions in this policy letter. These include a proposed review of the relevant elements within the current benefit
2215 and tax system, recommendations to improve data collection, a review of aspects of existing housing policy and a review of possible measures to improve equity of access to both primary and emergency care.

It is important not to confuse low pay with in-work poverty. They are not the same thing. We cannot and should not assume that workers who are low-paid experience in-work poverty. One
2220 needs to know something about their wider household circumstances before that assessment can be made.

Indeed, some members of the review panel, chaired by Deputy Roffey, started this review assuming that a big increase in the minimum wage might well be the solution, or a big part of the solution to in-work poverty. But one of the clear conclusions of the panel was that it is actually
2225 entirely possible to be on the minimum wage and not be in poverty because you are a young, single person living at home or in staff accommodation. The fact that they might not have dependants or housing costs means that you might even have some spare cash at the end of the week.

This highlights very clearly the nub of what is, in fact, driving in-work poverty in the view of the panel. It is the unavoidable outgoings that families have to pay out that is the key for many
2230 households. This is where possibly the States might be able to have an impact on reducing in-work poverty.

During this review process, the panel and members of SMC have engaged with a large number of members of the public, civil servants, employers and third sector organisations, both here and
2235 in the UK. The full list of consultees is set out in detail at the end of this policy letter. This review has been about more than just analysing facts and figures. It has been about listening to a full range of people, both on-Island and beyond, who have relevant experiences and expertise and insight on this topic. We spoke to some 130 people or so in this regard.

We have listened to Islanders' stories and heard about their experiences. This has directly
2240 informed the conclusions of this report and it is, in a way, unfortunate that more Members of this Assembly could not gain this level of insight into the real lives of many of our fellow Islanders. If

any Members of this Assembly believe that in-work poverty is a small or almost insignificant issue in this Island, then they are gravely mistaken.

2245 Using the most recent figures produced by the Policy & Resources Committee, we know that, using internationally recognised definitions, 16.3% of the local population were living in poverty whilst not being in receipt of Income Support in 2016 and this is far from insignificant. Indeed the figure for 2015 was 15.5% and in 2014 it was over 17%.

2250 Many of these people are younger Islanders, often with young families. If they cannot see a way out of their current position, they may choose to leave the Island. However, significant numbers are older Islanders who are living in rented accommodation and cannot afford to retire, whatever their state of health.

2255 But whilst these figures are helpful and indicative of the scale of the problem, can we be more exact in terms of how big this problem is? The reality is that the panel itself was able to conclude that the problem was significant but simply could not measure precisely how big. That is undoubtedly a criticism of this report but it is by no means a fatal criticism.

2260 If Members think that this weakness knocks the review out of the water, the panel would simply say this: without the relevant statistical data to hand on in-work poverty within the States of Guernsey, it was simply not possible to measure the rates of in-work poverty more accurately. The relevant information just did not exist at the time of the review and clearly the Scrutiny function does not have the resources to generate that data itself.

2265 But all is not lost. Notwithstanding that, after this policy letter was actually published, it was revealed through the Guernsey Household Income Report that the proportion of households whose income is less than 60% of the median and receiving income from employment, that is to say in work, in 2016 was 14.1%. It had been 12.6% in 2015, so we know that the numbers stuck in in-work poverty got worse from 2015 to 2016. We also know, sir, from recently published data from P&R that, on the Indicators of Poverty Report indices for income and health have both got worse in comparison with the 2014 baseline.

2270 One of the key things of this review, certainly in the earlier stages of it, was a frustrating lack of sound data on which to analyse and understand the issues, let alone base decisions upon it. As an example, currently no Government committee in Guernsey collects definitive data on the minimum wage and even the States itself does not report how many of its own employees receive in-work benefits.

2275 However, in fairness, the position is now improving and is better. In January 2016, the last States agreed to improve and broaden the measurement of relative poverty and to give a more accurate and rounded picture of potential deprivation. Figures on relative income poverty are now available annually, on the so-called rolling electronic census. But, still, we do need to see considerable improvement in the types of data we collect.

2280 Many of the comments received, both on the first and second report – we published an interim report to begin with, sir, and then we published this policy letter later on – have focussed on the lack of data available and therefore that is why this policy letter sets out a Proposition to improve the data collection in relation to in-work poverty by the States of Guernsey. We need to understand these issues better.

2285 Broadly speaking, what the Government measures it values. If we think there is value in knowing what is happening to the trends on in-work poverty figures in this Island then we need to have a compelling set of metrics in this area. Members, paragraph 8.18 of the policy letter sets out in some detail the various areas where data ought to be collated by the States, in our view. Having these data sets is crucial in the view of the Scrutiny Management Committee, going forwards. However, as I stated earlier on in this piece, the softer data, drawn from the personal experiences and testimonies of Islanders has always been out there in the Island if the will actually existed to find it and listen to it.

2290 Sir, I now want to address the three other areas where we suggest a co-ordinated package of measures is now required to alleviate the plight of those who are living in the shadow of in-work

poverty and are not able to help themselves out of it. Firstly, in relation to housing; secondly, in respect of tax policy; and thirdly, in relation to healthcare.

2295 But before I do that, sir, I want to deal with the other main criticism of this review, namely that the possible solutions that we have come up with are un-costed, untested and that the Propositions themselves are bland and vanilla and somewhat unexciting. Well, I think we have to plead guilty to that, sir, and we do.

2300 But there is a very good reason for that. It was not, and it is not, for Scrutiny to dictate or direct P&R and the Principal Committees as to what exact policies they should be enacting. This policy letter is asking the States to direct the Committees. In no way are we able to direct them ourselves. Moreover, we do not have the expertise in-house to devise the ultimate policy prescriptions to these complex problems. We need the help of other Committees.

2305 But we did not want merely to pass the buck without any suggestions at all of possible solutions. So what we have set out, particularly in relation to the tax system and in relation to healthcare, are some ideas, which are there to be shot at. They are starters for ten; they are straw men. If anyone thinks they can do better than the ideas that we put in the text of the policy letter then go ahead. We would encourage that. It was about trying to stimulate the debate, trying to stimulate thought and trying to build towards actual solutions down the line.

2310 It is not the role of the Scrutiny Management Committee, sir, to tell Committees how to resolve in-work poverty, as that sits clearly with the relevant Committees and hence the actual wording of our Propositions. Clearly we, as Scrutiny, are not seeking to direct anybody. The States is asked by these Propositions to direct the Committees. That is a distinction worth holding onto. But in the text of this Report we have made suggestions in some areas, based on investigations undertaken, which are intended to aid the thinking of the Committee.

2315 So, sir, three areas where we want States' Committees to take action. Firstly, in housing. High accommodation costs are the biggest unavoidable costs which risk putting local households on relatively modest incomes into in-work poverty. A household on a modest income paying, say, 30% of that income on housing costs might be able to afford the other essentials of life. However, a household on that same approximate income, paying, say, half of their income on housing, will struggle to be able to afford heating, food, clothing, healthcare costs and all the rest of it.

2320 Housing costs are a central issue when considering in-work poverty in Guernsey and a key concern for local people in receipt of low or modest wages. The cost of accommodation is arguably the biggest single cause of in-work poverty on the evidence we have seen.

2325 One of the problems with housing policy in Guernsey is the narrowness of the criteria for eligibility for social housing. There are many families locally who do not qualify for social housing but who clearly still struggle to afford housing costs in the private sector, whilst holding onto a reasonable standard of living.

2330 Since housing costs are such a substantial part of the living costs of those experiencing in-work poverty, it is obvious that significant progress needs to be made in the provision of affordable housing. By that, we mean there is a need for people to be better able to afford the cost of their accommodation, relative to their particular income.

2335 There are a number of possible policy solutions here. They are set out in the policy letter. The criteria for social housing could be relaxed; the remit of the GHA could be expanded so it might operate in both the social housing and demand housing market spheres; or a completely new model could be developed in order to fill in the holes in affordable housing for those currently earning too much for social housing.

2340 The panel and the SMC, frankly, do not know what the best solution is here but, in short, we are able to say we think the States does need a coherent, joined-up housing policy to better support those people experiencing in-work poverty and in that sense, Proposition 5 in this policy letter. At the moment the States of Guernsey does not have a coherent policy in place regarding the provision of social and affordable housing.

The work that is being done currently to develop this strategy needs to ensure that all key players, including the Committee for Employment & Social Security, the Committee for

2345 Environment & Infrastructure, Policy & Resources, the States' Trading Supervisory Board and the Guernsey Housing Association are all working together to common aims that are measurable and attainable. Currently, no one Committee owns this problem within Government and we would suggest that needs to change.

2350 In the view of Scrutiny the new strategy needs to answer key questions such as do we wish to widen the criteria for access to partial ownership schemes? Does the States wish to incentivise people to own their own homes? How much States' housing will be needed in the future? Moreover, this Assembly needs to decide what level of States' intervention is needed in our local housing market and what sort of intervention. We suggest that the present approach is not working, especially for a large number of local families paying high rents and with no practical access to States' provision on social housing.

2355 Secondly, sir, the tax and benefits system. The main conclusion of the panel here is that in order to give effect to meaningful help against Income Tax, to those on low and modest incomes, that relief needs to be much more targeted and focussed on those on lower incomes alone and not provided by way of an expensive uplift to everybody who can benefit from a rise in Personal Income Tax Allowance.

2360 The cost of attempting to assist those on modest incomes by simply raising the Universal Income Tax Allowance is simply too high. Again, the panel has suggested a number of different ways in which this could be done. For example, the States could reintroduce an additional tax allowance only for those on lower incomes. Or you could look at a system of tax credits. It is a question of how far do we want to go to provide targeted relief within the Income Tax system? Again, this is set out in the policy letter.

2365 The third Proposition in this policy letter is asking Members to direct P&R and the Committee for Employment & Social Security to consider the implementation of additional options within the tax and benefit system and to report back to the States by no later than the end of 2019 with any proposals.

2370 The implementation of the newly combined Tax and Benefits Service, to resource this functionality, now offers a real opportunity to break down the silos that have been in place between tax and benefits and offer genuinely joined up future policy. It is clear to my Committee, after reviewing in-work poverty in detail, that policy initiatives must be developed that expressly aid the hard-working lower and modest earners in our population.

2375 Now some will say we may have to sacrifice the simplicity of our taxes in order to do something meaningful here. I believe that we need a tax system that is more sophisticated than the one we operate at present if the reality is that the simplicity of the current system is adversely affecting families in in-work poverty.

2380 Thirdly, in respect of healthcare, Propositions 1 and 2 are key here. What we are saying here should not be a surprise to anybody and, indeed, I know that it is something that is exercising the Committee for Health & Social Care and they have plans to incorporate this part of their Partnership of Purpose agenda.

2385 Based on the information provided to the review, in Guernsey, around 45% of the working population have access to some form of medical health insurance. Around 5% of the population have their medical costs covered by the States. We know from the evidence submitted during this review that a substantial number of people have struggled to find the money to pay for access to these health services at the Emergency Department and at primary healthcare.

2390 In particular, from our witness evidence, it was clear that people with younger children, and older people with chronic conditions ... We heard from parents of young children that they had to choose between a visit to the Emergency Department and putting food on the table. We also heard from witnesses to the effect that people attend at A&E, enquire as to the cost and then leave without seeking further treatment – apparently put off by the potential costs. The uncertainty of the costs involved in visiting A&E, sometimes up to £500 per visit, has placed parents in a very difficult dilemma.

2395

2400 In relation to GP visits, at one time in the dim and distant past there was a States' grant that covered one half of your GP consultation. However, that was whittled away over the time and thus, now, the Government grant only covers a small element of the consultation cost. This is where the SMC believes that some health has to be provided for people who find themselves in difficult positions over paying for healthcare.

2405 We accept and predict that, at some point in the future, the Committee *for* Health & Social Care may well bring a policy letter forward in accordance with the Partnership of Purpose framework to address this serious problem. But in the two years since we have commenced the review, no concrete proposals have come forward to address the current position and hence why we felt it helped to propose the solutions in here.

2410 Sir, the policy letter refers to a number of potential policy ideas. Again, these are there to be shot at. They are straw men. They are there to aid discussion, debate, to stimulate thought. They are there to be shot at. For example, paragraph 11.5 refers to four ideas that were developed at the initial consultation report stage. These four were as follows. I really should have found the policy letter before I did that!

First, a universal primary care insurance scheme similar to those already in place for both specialist care and long-term care; secondly, a change in the current grant scheme to increase help where it was most needed; thirdly, decoupling the point at which benefits are paid and at which primary care is paid for by Social Security; and, finally, extra competition or direct state provision in the primary care sector.

2415 In addition, at paragraph 11.8 of the policy letter, we set out a potential solution in relation to accessing the Emergency Department. This idea, the idea of opening up access to the Emergency Department for all children under the age of five, for free primary care treatment, given that the present Emergency Department is somewhat under-utilised with an average of two patients per hour, is there again to stimulate debate. It may or may not be the right answer but if it stimulates thought and policy activity then the straw man would have done its job.

2420 Further, we suggest that costs at A&E could be subject to a maximum tariff of, say, £100, in order to remove the real financial worries we have documented. Again that might be right or it might need work. The point is the *status quo* is unacceptable and we need to find a solution together, as a States.

I am sure that, with the expert resources at their disposal, the Committee *for* Health & Social Care can refine and improve upon these outline, rough and ready proposals, but the key is we need to get on with it. The important thing is something has to change so therefore Propositions 1 and 2 should help the Committee *for* Health & Social Care to improve on SMC's suggestions.

2425 Mr Bailiff, in conclusion, the Scrutiny Management Committee, and its panel on in-work poverty, both agree that in-work poverty is a real issue in Guernsey and that we need to develop a comprehensive and co-ordinated package of measures to tackle it effectively. We need to ensure that we collect any and all the relevant data on in-work poverty as a States, but we also need to develop appropriate policies to help people on low and modest incomes, who struggle with the cost of housing, taxation, healthcare and others.

2430 It was not and is not the role of the SMC to tell Committees how to resolve in-work poverty. That responsibility truly sits with the relevant Committees and hence the wording of these Propositions. But we are asking the Assembly to direct the Committees as a spur to real timely action. Where possible, we have made constructive suggestions in some areas, based on the investigations undertaken and evidence received, which are intended to aid the thinking of the relevant Committees and we are happy, therefore, to assist the Committees going forwards, if need be.

2440 I have been very clear, sir, in acknowledging the two principal criticisms of this review, but it is clear that there are two very compelling reasons as to why we should not disregard in-work poverty as a problem: one, we must represent those individuals and families who are affected by it; but, two, we cannot afford to see hard-working people leaving our shores for new pastures, because of in-work poverty. We need to be helping local people to be able to stay here as we

simply cannot afford to lose their economic potential, nor afford to see younger people, in particular, disappear to make our demographics worse.

2445 Mr Bailiff, those involved in this review were deeply moved by the personal stories of hardship that impact on members of our community. Nobody hearing this evidence could doubt the urgent need for change and practical action. I therefore ask for the States' support on all of these Propositions, unamended, and I commend this policy letter to the States.

2450 **The Bailiff:** We do have an amendment that is to be laid by Deputy St Pier.
Deputy St Pier.

[Amendment](#)

To replace Propositions 1-5 with:

'1. To note the findings and recommendations set out at sections 13.2-13.6 of the Scrutiny Management Committee's policy letter titled "In-Work Poverty Review"; and

'2. To direct the Policy & Resources Committee to review and report on work streams and measures in the Policy & Resource Plan with regard to the reduction of in-work poverty in its policy letter to be debated on 25th June 2019, with particular regard to the issues referred to at sections 13.2-13.6 of the "In-Work Poverty Review".'

2455 **Deputy St Pier:** Sir, I will not read the amendment but will simply summarise it, which is to change the key Propositions from a direction into 'to note' and then a second, new Propositions, would direct P&R to incorporate this work in the development of the next iteration of the Policy & Resource Plan.

2460 That, in essence, is what it is seeking to do. I will be very brief in opening this debate and thank the Scrutiny Management Committee, the review panel, for their work in this area. It is a useful and interesting report on a critical piece of social policy that cannot be ignored. But, and there is a 'but' and hence the amendment, we do have a clear process for prioritising policy making, it is the Policy & Resource Plan. That process has been decided and developed after considerable work and a considerable number of debates in this Assembly, both in the last States' term in designing the system and in this States' term in actually developing the Plan.

These Propositions, unamended, I would suggest, do cut across that. As the explanatory note/letter of comment says at the top of the second page:

The Policy & Resources Committee believes that the States' approved procedure for determining policy direction and prioritisation is through the Policy & Resource Plan rather than through directing Principal Committees to prioritise particular policy initiatives.

2465 We go on to say later:

It recommends to the Assembly that in the absence of a dedicated programme focusing on in-work poverty ...

2470 Because we do not currently have that, that is not one of our determined priorities within the Policy & Resource Plan, then we do need to prioritise it in accordance with that Plan process. So we recommend that we review and report on the workstreams and the measures in the Policy & Resource Plan and it would place emphasis on the reduction of in-work poverty in the policy letter, which of course is due to come for debate on 25th June this year.

So that is the Policy & Resources Committee's recommendation that this is the appropriate way to deal with this important piece of work, to ensure that we incorporate it within our established procedures. That is the reason for bringing the amendment and we encourage Members to support it, sir.

2475 **The Bailiff:** Deputy Stephens, do you formally second the amendment?

Deputy Stephens: I do, sir.

2480 **The Bailiff:** Thank you.

Deputy Lester Queripel: Sir, I rise to invoke Rule 24(6) please. I would like a recorded vote on that motion.

2485 **The Bailiff:** Just for the benefit of everyone, Rule 24(6) provides that an amendment which goes further than the original Proposition shall not on that account be ruled out of order, but a motion that the amendment be not debated and no vote be taken thereon may be laid only immediately after the amendment has been proposed and formally seconded.

I am not sure that this goes beyond the original Propositions. It did not strike me that it did. Mr Comptroller, do you see that it goes beyond the original Propositions?

2490 **The Comptroller:** Sir, like you, it did not strike me as going beyond the original Propositions.

The Bailiff: So Rule 24(6) does not apply.

2495 **Deputy Lester Queripel:** Surely it does, sir? *(Laughter)*

The Bailiff: The amendment does not go beyond the original Proposition.

2500 **Deputy Lester Queripel:** Sir, with your further clarification, the Propositions are to direct Committees specifically; the Proposition in the amendment is to note. That goes beyond.

The Bailiff: No, it does not. If anything, it goes less far, if that is the word. It does not go as far as the Propositions. It seems to me it is within the Propositions rather than outside, beyond the Propositions. To note neither means to support nor to oppose, it is just a neutral Proposition.

2505 **Deputy Lester Queripel:** In that case, I will invoke Rule 24(4) please. *(Laughter)*

2510 **The Bailiff:** Right, 24(4), immediately after an amendment or *sursis* has been proposed and formally seconded – so at this point in the debate – any Member, Deputy Queripel, may request the Presiding Officer, me, to invite Members, you, who support debate on the amendment or *sursis* to stand in their places and neither the Member making the request nor any other may address the meeting about it. So if you support debate on the amendment, I invite Members to stand in their places and I will have to see if more than seven are standing.

I have counted 21. That is more than seven so debate will proceed.

2515 I have not discussed this with either of you. It seems to make sense to run the amendment debate at the general debate. Do you have any objection or do you wish to run the two separately? Otherwise I think we will just end up with duplicated speeches.

2520 **Deputy Green:** My Vice-President seems to be very keen on it being separately, sir. I am fairly neutral myself.

2525 **The Bailiff:** Deputy St Pier, do you have a view? We are already half-way through Thursday afternoon and we have got other business, Brexit business, that is time-critical. I am just a bit concerned we spend too long on the amendment and then have a long debate on the substantive Propositions and we may run out of time to deal with the Brexit matters. There will be repetition of speeches, so it would save time, I think. Otherwise we have spent a long time, longer than I thought, on the matters we have already debated, if that is a sign of the times then this could be a very long debate ahead of us. Deputy de Lisle, unless Deputy Lester Queripel has another procedural?

Deputy Lester Queripel: I was rising to speak, sir, but you have called Deputy de Lisle.

The Bailiff: He had risen first. Or I had spotted him first.
Deputy de Lisle.

2535

Deputy de Lisle: Thank you, sir.

I rise to support the amendment sir, because I just feel that it is a consolidation of the work that has been suggested in the policy letter, which would derive different departments coming forward and then having to integrate in some way all their various findings, whereas I think the amendment would seek to put all that together and of course the various Committees could obviously provide support to that integration within the amendment's proposals.

2540

But I wanted to also make a few points here. One of which is that shifting the balance of Supplementary Benefit Scheme from an outside-of-work benefit to an in-work benefit, through Income Support, that was a £4 million a year increase, in merging Supplementary Benefit and Rent Rebate, embracing another 800 people, or 890 people on Income Support. Surely that is enough of social for a while?

2545

I understand that the people that are being addressed here are above that line, in terms of their income. They are neither on Supplementary Benefit or receiving supplementary housing benefit. They are squeezed and something needs to be looked at for them.

2550

Section seven points to the high cost of living, the high cost of accommodation in Guernsey, charges for essential services that have come in the last few years, one on top of the other. The cost of primary healthcare, which we know a lot of our people are reluctant to see it up to now because of the £50 charge. All these things putting many outside the benefit system facing financial difficulties. So a lower tax rate to all would benefit Islanders, particularly for workers earning below the median income.

2555

But I would like to also make the point that the problem is across the board because everybody is feeling the squeeze. All these added taxes and charges, Government taking too much, people left with less and less disposable income. These are problems across the board and the answer is not to tax more, through putting more on social benefit. It is lowering taxes across the board and thereby increasing the spending power of people, which should fire up the economy at the same time, as all have more disposable income to spend.

2560

That is the problem right now on the high street: Government has taken too much of the public spending power in taxes and charges. That has to change and it is the P&R Committee to deal with that through the tax system. I am pleased that we have this amendment because I think the whole issue is being driven into the right Committee to resolve.

2565

I think that we have a general problem. It is particularly hard on those just above the benefit response that has been put in recently, the £4 million. But my point is that the squeeze is being felt across the board and therefore I think we have to look very seriously at the P&R Committee to resolve the situation across the board.

2570

Thank you, sir.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, P&R say they do not support Scrutiny recommendations but in laying this amendment before us they ask us to note those recommendations and support their Propositions. In response to that request, I have to say that I am extremely disappointed in P&R and not only am I extremely disappointed but when I first saw this amendment it made me rather sad.

2575

It made me rather sad because I expect our P&R Committee to be a lot more proactive than that and our community needs P&R to be a lot more proactive than that. To be perfectly honest, I despair because the Scrutiny Committee's Propositions are extremely proactive. P&R say they cannot support them.

2580

2585 Then they lay Propositions before us in an amendment that are extremely benign, to say the least, and I say that in reference to both Propositions in the amendment. Proposition 1, if it succeeds, will undermine all the good work done by the Scrutiny Committee. I am not saying that is what P&R are seeking to do but that is exactly what it will do if this amendment succeeds. Proposition 2 tells us that the intention is to review and report on workstreams in relation to the reduction of in-work poverty. Even with the best of intentions, that work may not be done. Whereas, under the Scrutiny Committee Propositions that work would have to be done.

2590 If this amendment succeeds then there is a very real possibility it will result in our fellow Islanders who are forced to endure in-work poverty living in hope that their Government is actually going to do something to address their plight. Why on earth would we want to condemn our fellow Islanders to that kind of uncertainty when we can reject the benign Propositions before us in this amendment and vote in favour of the extremely proactive Propositions set out in the Scrutiny Review?

2595 I would like to remind my colleagues of the two aspirations we all attest to aspire to, which are to improve the quality of life of Islanders and to make the Bailiwick one of the happiest and healthiest jurisdictions in the world. Wonderful words, sir, and two wonderful and commendable aspirations for us all to aspire to. But we are certainly not going to have any hope of doing that if we vote in favour of this amendment.

2600 Any Member of this Assembly who does vote in favour of this amendment will surely not be able to justifiably say that they truly want to improve the quality of life for their fellow Islanders and that they truly want to make the Bailiwick one of the happiest and healthiest jurisdictions in the world. If this amendment succeeds then I think we may as well dispense with the Scrutiny Committee altogether; (**Several Members:** Hear, hear.) seeing as we are going to prevent them and hamstring and stop them from doing the job we have election them to do.

2605 I see no problem whatsoever with the Scrutiny Committee laying Propositions before us that seek to direct Committees, to undertake research and report back to the States, despite what some members of our community and a certain *Press* columnist might say. On that note I am reminded of the time when I was a Member of the Scrutiny Committee in a previous Assembly and we undertook a review of Children's Services here in the Bailiwick.

2610 That review resulted in our making over 20 recommendations for various States' Committees to pursue and progress. About a year later, when I asked them all if they had pursued and progressed them I took great comfort from their responses because they had all pursued and progressed them. So much so that there were new codes of practice in place as a result of their pursuing and progressing those recommendations made by the Scrutiny Committee, which surely proves beyond a shadow of doubt there is value and there is merit in the Scrutiny Committee making recommendations?

2615 Others will have the chance to speak, so they can ridicule me, they can discredit me; they can do what they want, sir. This is a debating Chamber, this is where we say what we feel we need to say. I think it is important for me to explain to colleagues who are wondering why the Scrutiny Committee decided to review Children's Services in the first place in an attempt to persuade them to vote against this amendment.

2620 Well, the reason Scrutiny undertook that vital piece of work was because Deputy Laurie Queripel and I had been approached by 33 local families complaining about incompetence and unprofessionalism by some States' Committees – not long after we had been elected in 2012. Seeing as we were both Members of the Scrutiny Committee at that time, when the Chairman, the late and much missed Paul Arditti asked us which reviews we thought Scrutiny should undertake, we suggested a review of Children's Services.

2625 That review, facilitated by Professor Kathleen Marshall resulted in improvements being made in Children's Services here in the Bailiwick, which proves that the Scrutiny Committee play a vital role in Government. They play a vital role in Government when the Government allows them to do the job they have been elected to do and their efforts are not undermined by their colleagues.

2635 I truly believe that if this amendment succeeds it will not only undermine the excellent work done by Scrutiny but it will also prove that those who support the amendment doubt and question the integrity of the Scrutiny Committee and everyone involved in the review. Colleagues are laughing, sir, I despair. They will have their chance to speak later on; I will not laugh at them.

2640 **The Bailiff:** I do not think anyone is laughing, Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I heard giggles from over here, on my right.

The Bailiff: I heard a sigh. I did not hear giggles.

2645 **Deputy Oliver:** Sir, I did not giggle. I said, 'You cannot say that.'

2650 **Deputy Lester Queripel:** As I say, sir, I despair. This is a debating Chamber. I do not laugh or giggle or ridicule or discredit my colleagues when they speak. If I do not agree with them I just say that in a respectful way in my speech. I ask them to respect what I say. If they are going to sink to the level of discrediting and ridiculing, (**Several Members:** Ah.) then there is no hope of anyone in this Chamber saying what they feel needs to be said.

2655 I need to repeat the previous paragraph. Scrutiny play a vital role in Government, when Government allows them to do the job they have been elected to do and their efforts are not undermined by their colleagues. I truly believe, if this amendment succeeds, it will not only undermine the excellent work done by Scrutiny but it will also prove that those who support the amendment doubt and question the integrity of the Scrutiny Committee and everyone involved in the Review. I give way to Deputy Tooley, sir.

2660 **Deputy Tooley:** Sir, I wonder if perhaps Deputy Queripel feels that the acoustics in the building are missing something in that he is clearly hearing things that the rest of us are not in the Chamber? Further, I would welcome his opinion on how he feels about a Member of the review panel, who does not feel the way he is suggesting about this amendment? Because I am a member of that review panel and I do not feel the way he is suggesting about that amendment.

Thank you.

2665 **Deputy Lester Queripel:** I am glad to hear that, sir. If this amendment succeeds then I believe it will be the ultimate insult to the Committee, it will be the ultimate insult to the non-States' members on the Committee, it will be the ultimate insult to all of the people who sat on the In-Work Poverty Panel. I know Deputy Tooley has just said she would not see it as an insult, but I do. 2670 I think it will be the ultimate insult to all of the staff who work in the Scrutiny office and it will be an insult to all of our fellow Islanders who are forced to endure the hardship and the misery of in-work poverty.

2675 All of whom, the majority of whom, apart from Deputy Tooley, I have no doubt will be completely demoralised should this amendment succeed. That is my view. I am entitled to say what I feel in this Chamber during debate.

Deputy Tooley: Point of correction, sir.

2680 **The Bailiff:** Deputy Tooley, point of correction.

Deputy Tooley: Deputy Queripel has at no point asked my opinion of this situation, so I very much doubt, and he can correct me if he feels the need, that he has asked the opinions of anybody else who sat on the review panel.

Thank you.

2685

Deputy Lester Queripel: Sir, I have said on more than one occasion in this Chamber that I would very much like this Assembly to become known as a States of compassion. I have also said, on more than one occasion, in my speeches in this Chamber, I would very much like this States to become known as a States of action. Surely we could certainly move towards those aspirations if we reject this amendment and support the Scrutiny Committee Propositions, unamended?

I look forward to hearing the speeches of others. I will respect their views and I once again ask them to respect mine. I would like a recorded vote when we come to vote on the amendment, sir, please. One question I do have for P&R: why did they submit this amendment so late in the proceedings when they had weeks to consider it?

In finishing, when he spoke on an amendment I once laid in a previous Assembly, former Deputy Peter Harwood, who I have a lot of respect for, said, and I quote:

This amendment deserves to fail.

Well, sir, if ever an amendment deserved to fail, in my view, it is this one; and I urge my colleagues to reject it resoundingly.

The Bailiff: Deputy Stephens.

Deputy Stephens: Thank you, sir.

Deputy Merrett reminded us earlier this afternoon to use parliamentary language and, in view of what she said, I think I have a confession to make, because very occasionally I am tempted to begin a speech with the words, 'Oh, for goodness' sake.' But I do not because that would be unparliamentary and probably impolite and definitely ill-advised. So I am not going to begin my speech in that way.

But I will say that sometimes the matter for debate and its potential for good outweighs what Deputy Queripel calls undermining the Scrutiny Committee. I firmly believe that this amendment has no intention of undermining the Scrutiny Committee at all. I would focus on how the amendment might bring Members to the point of making a fully informed decision on a way forward to address the in-work poverty that there is in the Island.

To be clear, do I think that some consideration of in-work poverty is important and worth doing? Yes, absolutely I do. Do I think there are good ways of doing this? Well, yes. Do I think there are even better ways of doing this and to make a difference to Islanders who are in poverty even though they have employment? Yes, I do.

So I want to talk about foundations for action, focus, co-ordination, pace and targets and how the amendment will assist rather than detract in Scrutiny's ambition for a meaningful reduction in in-work poverty. The foundations for action are there already because several departments are progressing workstreams that should contribute to addressing the issues that Scrutiny have raised in the report. So the foundations are in place.

Setting aside any discussion, then, of what other Committees are already doing, it seems to me that a more co-ordinated and holistic approach is what is called for and I fully expect the Scrutiny Committee to agree with that statement. In my view, the amendment offers a route to an extension of what is happening already, with the advantage that if it is embedded in the P&R Plan then, at regular intervals, Members will have access to a 360-degree review of progress, through the annual debate, and that will assist us towards the better position that Scrutiny is promoting.

As the Report says, there is a need for more explicit focus on in-work poverty in order to understand the nature of the problem. If I recall correctly – and I am sure Deputy Yerby will correct me if I do not – during debate yesterday, and I think she was talking about estates at the time, I thought she was expressing a preference for individual Committees to maintain discreet areas of work rather than join together to produce a collective action to address a certain matter.

In this matter I would say security for the life of an in-work poverty solution lies in adoption by Members, as a focus of the P&R Plan, of that particular issue. That is where the detailed understanding will develop. Now the P&R Committee, through this amendment, are offering to

play our part in progressing this matter. The P&R Plan is a very good way to deal with the who, how, why, what and when of a project like this. If it progresses in a piecemeal fashion then I think it is likely that gaps in provision will exist.

2740 Let me talk about pace. Deputy Ferbrache, AKA Churchill, has talked about 'action this day'. If this issue is to be included in the 2019 P&R Plan debate, then work on the proposals included for Members to consider in that debate has to begin immediately – Monday, I would think. This amendment does not stop the work that is happening in Committees at present but it will bring supplementary considerations into our view, such as things like overall targets.

2745 Now Scrutiny say that we need an agreed definition of in-work poverty. I agree. We need to know exactly what the definition is of what it is, who experiences it, how many of those people there are and where mitigation can best be applied. Scrutiny say they made no attempt to define levels, trends or targets, but in my view all of us, all Members, will have an interest in monitoring any mitigation attempts that we apply and the project to reduce in-work poverty depends very heavily on the identification of how we progress; and monitoring that progress.

2750 Deputy Ferbrache will think I am making him a favourite of mine. I am not, but I am going to refer to him again. He did sort of rather indistinctly talk about governance yesterday. I would say that good governance of dealing with in-work poverty needs the scaffolding of regular reporting opportunities on wide and clear visibility and it will be a responsibility of us all.

2755 For me, Deputy Ferbrache, and I am a very simple soul, good governance is doing the right thing for the right people at the right time at appropriate cost. Now the P&R Plan offers a mechanism to encourage ownership by all Members of this issue, through knowledge and understanding of action and progress in responding to in-work poverty.

2760 I really want this to be a project that does progress, but I want it to progress, as Deputy Green has just referred to, in a comprehensive and co-ordinated way and have a measurable effect, and for all Members to be able to track progress. We have an established mechanism to achieve this, so I ask Members, please, to vote for the amendment, broaden the scope of existing activity and use a familiar mechanism to do this with.

Thank you, sir.

2765 **The Bailiff:** Deputy Merrett.

Deputy Merrett: Thank you, sir.

2770 I will speak to the amendment first. This amendment really does remind me of that old adage, which came first the chicken or the egg? First of all, there was *The Guernsey Press* article that referred to this policy paper and an amendment along the very same lines, even the same terminology, I believe, and actually even the same words as this amendment, was in in last Thursday's *Press*; or the email that I received on Friday of last week asking me to come later to observe the P&R meeting, as P&R were ratifying a draft amendment to the same effect as *The Guernsey Press* article, which appeared the day before, that this Assembly was actually going to debate this week, they were going to ratify it on Monday.

2775 Woe betide any Members of P&R that ever criticise the submission of late amendments, beware Members who wish to have notification, who wish to show due consideration to amendments, those who do not appreciate last-minute amendments, even though this one has an exceptionally long explanatory note.

2780 I do not think the explanatory note is an excerpt from *The Guernsey Press* article but I have not had time, due to its late submission, to cross reference them. Thank goodness we have a free press. I guess it is just a bit of a coincidence.

2785 Well, sir, clearly the *Press* article did come first because it was on the Thursday and I received the email on Friday but I doubt very much that P&R read the *Press* article and drafted an amendment overnight to ratify it the following week. Just as I doubt that the political Members of P&R only looked at this policy paper after reading the *Press* article. After all it was lodged on 23rd November – that is over nine weeks ago.

2790 Surely none of the political Members of P&R spoke to the writer of the article but did not consider speaking to SMC, raising their concerns with the actual Committee? No, of course not. That would not happen because that would very poor governance indeed. Something that they have accused SMC of. No, that would be hypocritical. P&R would not do that. As I say, it is just a coincidence, I am sure.

2795 Sir, I was due to observe P&R this week and by doing so was notified of a possible amendment. Not a usual route for a Member to find out and it could have been beneficial to speak to SMC but still, how P&R wish to behave, what governance they wish to choose, is up to them. I would not wish to accuse them of poor governance, or of working in silos or not communicating with other committees.

2800 It should be noted that I do not work in silo so I advised the President of SMC of the potential amendment and that Deputy St Pier asked a member of staff to kindly forward the draft out of 'courtesy' and to give SMC the opportunity to second it or support it. How very generous. No opportunity to discuss it or influence its content but an opportunity to fall in behind P&R. Being an independent Deputy, I simply will not be doing that.

2805 So then we have another chicken and egg; we have the Policy & Resource Plan and lots of other policies and plans from lots of different Committees. What we do not have at the moment though is one Committee that is co-ordinating all of the Committees in trying to work collaboratively in tackling in-work poverty.

2810 This amendment states that P&R will review and report back on the workstreams and measures in the P&R Plan, with reduction to in-work poverty in its policy letter to be debated on 25th June this year. Although, sir, I am not sure, if P&R have spoken to all the relevant Committees regarding this and if they are happy and willing and able to meet this 25th June deadline.

I ask, sir, I do not know if we ever did need SMC to investigate in-work poverty because now P&R intend doing this. Of course they could have done it last year or the year before, so I guess they were waiting for this policy letter to give them an idea of what workstreams and measures they could be looking at. After all they have the resource and apparently already have the policies.

2815 It is just like they were under a States' Resolution to look at diversifying the tax base on Fuel Duty, since 2016, under States' Resolution to return to the States with regard to air and sea connectivity. There is also the inert waste Resolution outstanding because P&R choose to strangle the suggestion from E&I. But that is the mighty power of P&R.

2820 What I do not understand is why not discuss it with SMC? Why not let the relevant Committees return to the States within the areas that fall within their mandate? P&R wish to 'review and report back'; well, there truly does come a time when we need to be clear about what our intentions actually are. A time to put some meat on the bones. After all we are now in year three of this political term.

2825 Does this Assembly want HSC to give us clarity of their intent? Do we want them to investigate improving equity of access to emergency health and access to primary healthcare? Are they already doing this? I hope so. Good. But when can we expect to see the changes at the PEH, at the Emergency Department?

2830 Do we want Policy & Resources and Employment & Social Security to consider the implementation of additional options within our benefits and tax systems and to report back to the States? Yes, I do. Do we want Environment & Infrastructure, Employment & Social Security and Policy & Resources to report back to the States with any proposals after they have finished investigating housing policy proposals to support members of our community who are experiencing in-work poverty? Yes.

2835 If you have said 'yes' to any of these then you have to say 'no' to the amendment because what it will do is it will instigate another review and report back on workstreams and measures in the P&R Plan with the hope of reducing in-work poverty. P&R could have already done that last year or the year before. (**A Member:** Hear, hear.) Or do we want to give more specific direction to the Committees? Do we want to help our community who are suffering from in-work poverty or do we want to talk about it for a bit longer?

2840 I have spoken to members of Scrutiny and members on the panel, and one non-States' member recently said:

There is enough brinkmanship happening in the UK without the States of Guernsey copying. Stop playing politics and start being consensual politicians. It does not matter where a good idea comes from; just that it would make a difference.

2845 Why are we arguing over the who, when it is the what and when that matters to our community? The what isn't another review and report. The what and when is when will our children be able to access the Emergency Department without their parents worrying about how much it will cost and how they will pay the bill. The what is when will we stop taxing members of our community so much that they then need to go to another floor at Edward T. House to ask for Income Support because they now do not have enough to pay for their accommodation or buy food?

2850 Is this the direction of the States or should we simply put all of our eggs in one basket and await P&R's review and report? Please resist this last-minute amendment and let the Committees know what this Assembly's direction of travel is and make them accountable for working together and for reporting back to this Assembly In this political term.

2855 Now the In-work Poverty Panel. When I was elected onto the Committee I asked to observe a panel meeting. The dedication, experience and frustration around the table from some of the Members present was palatable. Therefore, I give my thanks to Deputies Roffey, Lester Queripel and Tooley. The time and commitment from Mr Bulpitt, Dr Fleming and Mr Ingrouille and the officers of SMC is very much appreciated.

2860 **Deputy Lester Queripel:** Point of correction.

Deputy Merrett: Did I say Lester Queripel?

2865 **Deputy Lester Queripel:** Deputy Merrett said Deputy Lester Queripel but it was Deputy Laurie Queripel, not me, sir.

Deputy Merrett: It certainly was. I do apologise, sir.

We need to consider why members of our community agree to sit on panels. Why do they share their experiences with committees? Is it a sense of public duty? Community service? Is it to make a difference? To challenge and change things for the benefit of our community?

2870 Again, I have a quote from one member of that panel and they said: 'I do this to make a difference'. Is that not what all States' Members should be trying to do?

2875 This review has taken since almost the start of this political term and has built on and referenced numerous other reviews. Importantly, it reviews the current policies of the States regarding in-work poverty and includes an analysis of issues and offers some suggestions that could help alleviate some of the pressures that members of our community who are suffering from in-work poverty are under.

2880 It asks the States to consider how Islanders' needs could be better served whilst trying to use resources efficiently and effectively. It offers a suite of considerations and is asking this Assembly as a whole to deliberate and debate recommendations that could make a very real difference to members of our community.

It asks Committees of the States to work in collaboration, to commit to looking at the specific areas of their mandate that could make a meaningful difference to alleviating in-work poverty in the Bailiwick. The Propositions are broken down so that Members can vote on the direction that they want the relevant committees to take.

2885 The policy paper states that it is not the Scrutiny Management Committee's role to recommend specific policy initiatives but that it is important to indicate some possible solutions.

We all know the why but appear to be struggling with the who, what and when. Is it time to put meat on the bones?

2890 I believe it is time to deliberate the who, what and when and not just the why. Time to give the relevant Committees a few timelines to adhere to. Time to give families and people who are struggling some hope of some action. In our roles as Deputies, many of us may have witnessed in-work poverty. I certainly have. These are real issues that some members of our community face on a daily basis.

2895 I will concentrate, sir, on access to healthcare. In the last two weeks, just the last two weeks, I have been contacted by a very concerned grandparent. Their concern is that their grandchild cannot access the dental care they need. Both parents work full-time but they cannot afford the dental care and have been refused treatment by the school dentist.

2900 Another family who a year on, still have over £900 of outstanding debt because their baby stopped breathing. They called an ambulance, went to the Emergency Department as any parent would do and now are trying to pay off the bill. Both parents work. Oh, and just for the record, the grandparents of the grandchildren also work and they are trying to help their children and their grandchildren.

2905 These are members of our community who are suffering from in-work poverty. They work, pay their taxes but they cannot afford dental care or the Emergency Department fees. Yes, they can apply for medical assistance but we cannot expect them to do that before they dial 999. They can apply but may not get it. The uncertainty, the stress that puts on families should not be underestimated.

2910 Maybe the President of Employment & Social Security can advise us as to how many members of our community apply for medical assistance every year and what percentage are successful? In the Policy & Resource Plan, Health & Social Care, Employment & Social Security and Policy & Resources are clearly committed to acting to improve the affordability and accessibility of primary and emergency healthcare but the how, when and at what cost this objective can be achieved are simply still unknown.

2915 Should our community really be so concerned about the cost that they do not visit the dentist, a GP or the Emergency Department? 11.6 and 11.7 of the policy paper explain the history of charging for what was accident and emergency, now referred to Emergency Department (ED). ED was brought in-house in September 2016 and in March 2017 the Committee for Health & Social Care stated that it was maintaining the charging system operated under the primary care company.

2920 Users of ED can potentially receive a bill for £500 – more, less, they simply do not know; well they will when they get there and see the fees on the board, they can work out what the member of the family needs – and do not forget, anybody, that they have to pay – so do we – for an ambulance, separately, if they do not take out insurance on the ambulance. That is another additional cost on top.

2925 Recently, as some Members may know, I witnessed a horrific road traffic collision and I rang an ambulance and I thought before an ambulance, 'I am spending somebody else's money,' and it did cross my mind. I rang the ambulance; the ambulance was needed. But that did cross my mind and really it should not have done.

2930 What is really striking is the relatively low workload of the Emergency Department. During the Scrutiny Management Committee public hearing, the Scrutiny Management Committee was advised that the average is two patients per hour. We are massively under-using our capacity. It is not exactly optimal use of the staff and resource, is it?

2935 The policy paper under 11.8 gives an example that provision could be made to allow children under five years old to access the currently under-utilised capacity that exists for a nominal fee. But I struggle with this. Why stop at age five? Why can't all children whose families do not have health insurance, have access for a nominal fee if that is necessary?

The recommendations to Health & Social Care concerning this are under 13.2 and 13.3 and they are relatively generic. They simply direct HSC to investigate improvising equity of access to

2940 primary care and emergency healthcare and to return to the States no later than the end of this year with any proposals. They are doing that anyway. Is it the time that is a problem? Are we not all expecting a Partnership of Purpose to include this and are we not expecting that soon?

2945 We set out to address in-work poverty. We could not have brought this Report forward without recommendations that tackle some of the worst effects of that poverty, including the lack of access to critical healthcare. These Propositions do that, and in doing so they support and underline the importance of the work that the Committees for Health & Social Care and Employment & Social Security are doing on these vital issues.

2950 We all share a common purpose, and we all want to see progress. These Propositions, SMC's Propositions, reaffirm that, and allow us as an Assembly to make a clear commitment to delivering results in this term.

2955 As far back as 1998, 21 years ago – it is unbelievable – the States accepted, by requête they needed to consider low income earners and households. They concluded that extra help should be given to low income earners. The majority of Members rejected the idea of tackling the problem through Income Tax alone and expressed a wish to see a broader approach including the use of Social Security.

2955 Before us today, under the SMC Propositions, we see exactly that; the broader approach. So far we have a Policy & Resource Plan, the KPMG Housing Review, two recent policy papers: 'Comprehensive Social Welfare Benefits Model' and 'Measuring Relative Poverty and Income Equality in Guernsey and Alderney'.

2960 In January 2016 the States agreed to improve and broaden the measurement of relative poverty. How much of this has been achieved? We do not even know, as Deputy Green referred to, the number of our own public sector employees who receive in-work benefits. We do not even know that.

2965 We have the Children and Young People's Plan; we have lots of plans, lots of policies but what we really need is to stop taking tax from those that can least afford it, ensure our community has equitable access to healthcare and investigate our housing policies to make a difference to our community who are experiencing in-work poverty.

2970 We need to shine a torch on it and we need to actually deliver something in this political term. This is exactly what the SMC policy paper does and what it is trying to achieve. By reporting back to the States by the end of this year, we may actually get something done; 21 years after that requête. If the Committees are already doing this and can report back earlier or as part of an existing workstream, that is excellent.

2975 This is the bit that actually can make a difference. These suggestions and these Committees working together. So sir, before us today, I urge all Members to reject this amendment, which was at the last-minute, that is not collaborative working with Scrutiny, I do not know if they have spoken to all the other Committees and if they are all going to abide by the June date. I do not know because there has been absolutely no communication.

2980 What I do know is that we as People's Deputies should be trying to make a difference. We ask members of our community to come onto panels. The quotes I have given to you, they are clearly there trying to make a difference, and the Scrutiny Management Propositions, they are there to actually make a difference. So please support the Scrutiny Management Propositions.

Thank you, sir.

The Bailiff: Deputy Roffey.

2985 **Deputy Roffey:** Thank you, sir.

I know you are very keen to get onto the emergency Brexit debates but I am afraid I am not going to be that concise because this is an issue I feel really passionately about and have done for decades, not just years. I expect that is why I was asked by Scrutiny to chair this particular panel and it was a privilege to do so.

2990 Just before starting on my speech I would like to thank the other members of the panel.
Deputy Laurie Queripel was on it as a Member of Scrutiny, Deputy Rhian Tooley as a Deputy who
we knew had a very large social conscience. Mr Wayne Bulpitt because of his almost unparalleled
knowledge of the third sector and his insights in that way. Actually Dr Sue Fleming and Paul
2995 Ingrouille were both there because we thought that low pay was going to be the central issue and
they were both representing low-pay sectors: Dr Fleming the care sector and Mr Ingrouille
horticulture, in the form of Clematis Ltd. He was not there to represent them but he was there
because of his knowledge, as one of their senior managers. So I thank them for their work.

Sir, I am going to speak first on the main point of the debate and then say a few words about
the amendment at the end, because I think we are almost being hijacked into debating the merits
3000 of the amendment rather than actually the central subject, which is a shame. I think our
understanding of the causes of poverty has definitely evolved over the years. When I was first
back in this Assembly in the early 1980's, the ingrained attitude was that poverty was something
that was really only experienced by those who were somehow excluded from the employment
markets.

3005 It might hit the elderly, who have become too frail to work and have passed retirement age.
Very few elderly people worked in those days compared with now. It might affect those with a
disability, who found it harder to access work. Those with a caring role, which precluded working
or, perhaps, single mothers, back in the day when childcare responsibilities were more difficult to
fulfil in other ways, because nursery provision and flexible working were less available and
3010 therefore that kept them out of employment

But the overwhelming attitude was if you worked you would not be in poverty. Employment
was your passport out of poverty and into fully accessing what I would call the Guernsey lifestyle.
Of course some people would still be poorer than others but work, or at least full-time work,
should guarantee you a reasonable quality of life. It was, as Deputy Green has said, almost an
3015 unwritten social contract. If you worked hard you would be okay. No one in full-time work should
struggle to access decent accommodation, proper food, clothing, eating, medical care or any of
the other basics of life.

It was completely untrue then and it certainly is not true today. Of course working is absolutely
always better than not working, if you possibly can, for a whole range of reasons and not just
3020 financial reasons. But it is definitely not a silver bullet, as far as poverty is concerned. Later we
came to understand that those on very low wages were still vulnerable to poverty but the
assumption then, and I am talking about probably the 1990's and into the early 2000's, that the
correlation between low pay and poverty was very strong indeed. Therefore the prime answer to
tackling in-work poverty was to raise wage levels across the Island.

3025 I confess that I thought that firmly myself. Of course there is some truth in it. The more you are
paid the less exposed you are going to be to poverty and *vice versa*. But actually that correlation is
far weaker than anybody would instinctively assume. High wages, of course, are almost always a
passport out of poverty but the extent to which those on modest wages suffer relative poverty,
relative deprivation, has far more to do with the level of their unavoidable outgoings than it does
3030 to whether or not they are paid £10 an hour, £11 an hour or £12 an hour.

Indeed it is, as has been said, quite possible to be on the minimum wage of about £8 an hour
in Guernsey and not be in poverty at all. If you are a young, single person living at home with your
parents, if you are in staff quarters, the lack of housing costs and dependants may mean that you
have cash to splash on socialising and you can actually enjoy a reasonable lifestyle. By contrast
3035 other people may earn far more and yet be really pushed to keep body and soul together if they
have high and unavoidable outgoings such as accommodation costs and children to support.

Those of us who went into this review assuming that a hike in the minimum wage was bound
to be a very large part of the solution were soon disabused of that idea. It does have a modest
role to play, but if the States want to do anything serious about this problem they have to focus
3040 90% of their effort on the other side of the ledger book and consider how we can control and

help people with their costs, by which I do not mean discretionary costs but all of their unavoidable outgoings.

3045 Before getting deeper into those potential solutions, I want to pose a question, when I have got some glasses that work. What is poverty? In particular, what is poverty in the Guernsey context? Obviously it is a very different sort of poverty to the poverty that our Overseas Aid and Development Commission is seeking to tackle around the world. Very different indeed. But it can still be very distressing and make people's lives seem like a pointless grind, impacting on both their physical and mental health.

3050 Now some people seek to define it as, and we have heard Deputy Green refer to it this morning, defining it by less than 60% of the average income. Indeed that is probably the main measure internationally. Personally, I am not at all convinced by that approach. In a society that deliberately has very high wages it may well be possible to have a decent lifestyle on less than 60% of the average income.

3055 By contrast, in a very low-wage territory, some people may still be in poverty despite earning considerably more than 60% of the average income. So I think this international definition is probably more a measure of inequality than it is of poverty. Now that is equally important; equality is absolutely important within a society, but it is something quite different.

3060 Personally, I prefer the sort of measure devised, tailor-made for Guernsey by the Townsend Foundation some years ago. They actually asked the people of Guernsey what they thought was poverty as far as their fellow citizens, 'What do you think everybody should as a basic right, be able to afford?' They got the answers back and they tabulated that and actually came up with some criteria. Nobody should be financially prevented from accessing decent accommodation, or from heating that accommodation, or putting proper food on the table on a regular basis or buying proper clothing. I see Deputy Fallaize is alright in that respect. He is well wrapped-up over there!

3065 Where am I? Proper clothing. For which I do not mean designer labels but decent quality clothing that keeps you warm and dry. Nor should they be denied access to proper medical care through lack of financial resources. Ideally, everybody should also be able to join in with the social opportunities that Guernsey provides as well. That is more controversial in some areas but I hear of people who are constantly excluded from social activity and only actually can work and live. In the long-run that is debilitating for any society.

3070 Now, sir, we measured our levels of poverty based on those measures back then, decades ago. This Assembly signed up to re-measuring it using the same criteria every five years to monitor what progress we had been making or otherwise. I think it is completely damning of this Assembly that we never carried out a single one of those follow-up surveys.

3075 I know all sorts of events got in the way but it shows the priority we give to this particular subject, or the lack of it. So we do not really know the size of the problem but we do know there are many people in Guernsey who simply struggle with these real, basic requirements, despite working full time. That is something that should worry us all.

3080 How big is the problem? Deputy Green is quite right, there are two valid criticisms of this report. We could tell as a panel that the problem was quite big, but we simply could not measure how big. If Members think that is a shortcoming I would simply say to them, 'You try to measure it with the data available.' Sir, they will not manage it because the statistical information to do so does not exist.

3085 The second criticism is that the possible solutions that we floated were crude, un-costed and probably not the right answers to the problem we have uncovered. Guilty as charged and it is hardly surprising when you think about it. Neither Scrutiny and even less any of the panels they set up to work on an *ad hoc* basis have got the expertise or the back-up or the Civil Service to devise the ideal policy responses to the problems.

3090 So what should we have done? Perhaps we should have done what people have often done over the years, just flagged up the problems and fallen back on that old cliché, 'It is awful; something must be done.' We could have done that and we could have just passed the problem

over to the relevant Committees and washed our hands without putting forward any suggestions at all.

3095 But the panel and then after them the Committee, rightly in my view, felt a responsibility, when they were saying these were the problems that need to be tackled, to at least have a go at suggesting some possible solutions. If there are better ones out there then, hurrah! Nobody on the panel or the Committee is going to be objecting. It is tackling the problems that counts; if there are better ways of doing it then great. We do not really care how it is done. It is the rabbit needs to be skinned, not how you skin the rabbit. As a vegetarian, I am not sure about that one!

3100 Let me just briefly go through the main areas, one by one, that we think have to be tackled. We simply have to start with housing. Why? Because the high accommodation costs in Guernsey are the biggest unavoidable outgoing, which risks pushing families in this Island on modest incomes into in-work poverty.

3105 Deputy Green put it very simply: a family on a modest income paying 30% of their income on accommodation may well be able to afford the other essentials of life. The family next door, on the same income, but paying 50% of their income on housing, will really have their ability to pay for food, clothing, heating, medical costs and so on, compromised.

3110 So what is the answer? The first thing I want to say is that the Guernsey Housing Association, and the Employment & Social Security Committee and their predecessor, the Housing Authority, or whatever it was called, Housing Committee, are to be congratulated, I think, on the work they have done on social housing over recent years. The standard of accommodation has improved, the waiting lists have come down. A lot of things have improved in that respect.

3115 The problem lies with the narrowness of the eligibility criteria for social housing. Indeed, it is striking, just listen to this statistic, the maximum income that one is allowed to earn and still qualify for Guernsey Housing Association accommodation, has remained unaltered in cash terms since the Housing Association was set up in 2002; 17 years ago.

3120 I should know, but I do not know, the change in the value of money over the last 17 years, we are probably talking about 40-odd per cent. So in real terms, the level at which you are excluded from applying for GHA help has gone down and down in real terms and, therefore, so has the pool of Islanders which the GHA have been allowed to assist.

3125 Sadly, there are many individuals and families who now do not qualify for social housing because of that, but who still struggle to afford housing costs in the free commercial sector, whilst still maintaining a reasonable lifestyle. Now there are a number of answers that occurred to me for that. The obvious one is just to relax the criteria for social housing but that is problematic because now, for understandable reasons, the waiting list and the criteria for the GHA and for States' housing have been brought together into one.

3130 But that means there is no longer anybody servicing the people who are above the level of States' housing, where you are not allowed to access it but still struggle in the free market. The GHA did, for a decade or so, do that. There is now nobody doing that. So it could be relaxed or we could have a new intermediate housing type, which fell between social housing and normal commercial housing.

3135 The GHA could be turned into a sort of Guernsey version of Jersey's Andium Homes, which is able to operate in both the social housing and demand housing market. In fact that actually unlocks a lot of sites. I know sites that the GHA would like to develop, but to do so they would have to partner with commercial developers who have got their own land banks elsewhere and therefore do not want to do it and those sites are left untouched. But if it was like Andium Homes in Jersey, they could develop for both parts of that market and they would not need to enter those partnerships.

3140 Or there could be a completely new delivery vehicle. Guernsey is unusual in only having one social housing provider. Yes, it probably makes sense to scale and is necessary for a not-for-profit housing provider, but there could be another one dealing with that separate market. I do not know the answer, I do not think Scrutiny knows the answer but it does suspect that whatever

3145 meaningful route is chosen to tackle this problem – and I warn you – it will generate strong opposition from private landlords and private developers.

My response to that is so be it. I had written in this speech, that I drafted a long time ago, over to you, Employment & Social Security. Unfortunately, that now means over to me! (*Laughter*) As I said, in relation to upsetting private landlords and developers, so be it.

3150 Healthcare is another real problem for some families. For some who only visit the doctor or dentist occasionally, the cost may be a bit of a blow but they are probably not financially crippling. For most, although sadly not yet all, of those on Income Support, healthcare is free. Likewise for those who can afford medical insurance, healthcare is free at the point of consumption.

3155 Sadly though, it is exactly those who fall between those two extremes who are most likely to be at risk of in-work poverty or pensioner poverty, come to that. Again, the odd £50 once in a while might be a bit of a sickener but most people can live with it. It is those who develop chronic conditions and need regular medical attention for who healthcare costs can be the expense which pushes them into poverty.

3160 To be honest, I do not think Scrutiny is telling the Island or any Member of the States anything new here at all. I think the problem has been widely recognised by the States for very many years. The trouble is we all speak sagely about it and say something must be done, but nothing ever is. I have to say I spent years at Health and nothing was really done about the cost of primary care then because we started off trying to tackle secondary care, because that was more of a problem – an unexpected operation could really destroy people's finances.

3165 Then we went onto long-term care because that was deemed to be the emerging problem. We did have a grant, which covered 50% of the cost of primary care and that was supposed to be a staging post, actually, to greater assistance later on, but it was never affordable. Therefore it has actually been allowed to wither and die on the vine. So I am not lecturing anybody over here. I am just as responsible as anybody else. All I think this report is saying is the time for saying something must be done is passed. This Assembly needs to consider some proposals for actually doing something about it.

3175 I do not know if any of the solutions put forward by Scrutiny in here, such as: a primary care insurance scheme that would mean extra contributions – we are going to have enough problems convincing people to make their current scheme sustainable, so that is a problem; or a state-run GP practice, where the doctors were employees rather than partners. I do not know if those are the best ones. But as Deputy Green says, they were simply starters for ten and if HSC can devise better solutions, then great. But this problem needs to be tackled and tackled very soon.

3180 I think HSC will probably point out in this debate that we unanimously backed the Partnership of Purpose. In the Partnership of Purpose, equality of access, equity of access, to medical care is an absolutely prime theme. Laudable; but let us see the proposals to actually do something about it. As to the rather esoteric idea of free care at the Emergency Department for young children, I have to say that idea rose more within the ranks of the Scrutiny Management Committee than from the original working panel. Personally, I am rather torn over it.

3185 On one hand, I cannot help but agree with HSC that there is a world of difference between emergency care and primary care. They are not actually the same thing. On the other hand, I think SMC are actually right to flag up that we have a very extensive and under-used facility at the Emergency Department and some creative thinking is needed to get a much bigger bang for our considerable buck.

3190 At the moment the Emergency Department, which is fully staffed 24 hours a day, at taxpayers' expense now, it is no longer the outsourced service it was, I think the stats show it averages two patients an hour. That has to be nonsensical. In fact I will be surprised if one of the main reasons for losing Emergency Department staff was not boredom!

Moving onto taxation – and I am getting near the end, sir, honestly. I am not going to talk about extending the sea bed – that is a given, we can vote that through in seconds.

3195 Moving onto taxation, I think the main finding here is that given that Income Tax is Guernsey's main source of Government revenue – and I know some people think it is too dominant, but it is –

it will never be possible to afford meaningful relief against taxation to those on lower incomes unless it is focussed on them and them alone.

3200 The cost of trying to help this group by increasing personal tax allowances for all of us is simply prohibitive. There are many ways of focussing that help more but our prime suggestion was actually go back to the future and reintroduce additional tax allowances only provided for those on lower incomes. In fact we concluded that their removal in the late 1980's was a colossal mistake in terms of social policy. The States of the time sacrificed fairness on the altar of simplicity.

3205 Views can differ about how far we go in this respect. My personal view is that just limiting any new allowances that we can afford to providing help for the lower paid instead of everybody across the board does not go anywhere near far enough. For years to come that would only have a modest impact. So I will go far further and be far more redistributive.

3210 For example, the Universal Tax Allowance, which everybody in this Island enjoys, could be reduced by a couple of thousand pounds. Then with the money that was released a new focussed and additional tax allowance of say £4,000 could be brought in, which would be phased out relatively low down the income scale. No one will be worse off than they are now until they hit an income level where 50% of the additional allowance had been clawed back. Anyone earning below that level would be better off.

3215 Would it be universally popular with high to medium earners, whose allowances would be reduced? No. They would be furious. Not only would they be furious but these people are articulate and they tend to lobby, so you will hear from them in large numbers. You will be told that you are worst States ever. Would it prompt grumbles of Income Tax, which appeared to be higher than 20% for those in the clawback zone? Yes, it would. It did before and it would do again.

3220 But would it make a real, meaningful and affordable difference to in-work poverty. Yes it would. So I suppose the question I have to ask is how serious are we about tackling this problem? I do not think we are that serious if we are just going to stick it in a Policy & Resource Plan and forget about it.

3225 I am not going to. I could talk about the other things which impact on in-work poverty – the new charges we are bringing in. We will see one coming in next week. But the wider you go the more you lose focus. So I will leave it at that. But I will just reiterate something that Deputy Green said in closing: there are two entirely separate political imperatives for us to seriously tackle in-work poverty.

3230 The first is a concern that we should all have for the actual individual impact it has on the people impacted by it. But the second is economic and demographic. If Guernsey people in their 20's, 30's and 40's feel that they are working flat out but still unable to enjoy a decent standard of life in an Island that has a very high cost base then some of them will consider relocating somewhere else where this is perceived to be less of a problem.

3235 By contrast, most of our pensioners and those, like me, in their 60's who are not yet pensioners, are very unlikely to go anywhere. So if we let down those fulfilling their part of the unwritten social contract, 'Work hard and you will be okay,' then we are going to be damaging our own economy and we would only have ourselves to blame.

3240 If the panel could summarise its conclusions in one sentence it would be something like this: we are probably not telling States' Members anything they do not already know but we hope that our report increases the focus on these issues and moves the issue of in-work poverty up the political agenda and, please, States' Members, do something about it.

Now before closing I will just say a few words about this amendment. Is it last-minute? Well I attended, as a newbie, my first ever meeting of Employment & Social Security on Monday this week. They are one of the biggest people impacted by the proposals in this report. They knew nothing about it. So it is definitely very last-minute.

3245 A rhetorical question: is putting something in the P&R Plan necessarily the best way to ensure action and action today? I think the jury is still out on that. I think it should be. I think that is what

we aspire to in policy planning but I am not yet sufficiently convinced, despite what Deputy Stephens said, that this is the route to nirvana.

3250 Are the proposals actually at odds with P&R or with anything else passed by the States? Look at them. There are five of them. The first two relate to Health & Social Care reporting back on access to primary care and emergency care. We have already passed the Partnership of Purpose. It says that we want to have equity of access to healthcare. Okay, it may be seen as unnecessary. If they are going to report back in this timescale anyway, it is unnecessary. If they are not it is necessary and if they are then it does no harm. So I would actually prefer to put that safety net in
3255 today and actually make that instruction.

Likewise with Policy & Resources and others coming back on tax and Social Security, data collection and housing. If we do not vote to demand that something does come back before this Assembly we only have ourselves to blame if nothing does and then a new States is elected and nothing happens.

3260 Has this come out of leftfield and cut across P&R? I have to say I think there are dual standards going on here. This has been known about for a long time. The direction of travel has been known, the draft report was out for ages. If P&R say this is new, it is not actually in the P&R report and yet they spring on us things like reform of the Civil Service, that had no part of the original Policy & Resource Plan (**Several Members:** Hear, hear!) and say, 'It is a living document. It has to
3265 change. We have to insert this.'

But when somebody tries to do that on behalf of the people who really need our help the most, 'It is not right in principle. We have every sympathy with the content but you are going about it the wrong way.' I think that is dual standards. What is sauce for the goose is sauce for the gander. If we are serious here, we will demand some reports on these subjects to come back to
3270 this Assembly

There is 18 months to go. Deputy Green said a while ago in a totally different context that we run the risk of being the States that did nothing. I do not think we will be. I think there are lots of things in the pipeline, but I think we should demand reports on these things and stand up for some of the weaker members of our society.

3275

Several Members: Hear, hear. (*Applause*)

The Bailiff: Deputy Fallaize.

3280 **Deputy Fallaize:** Thank you, sir.

I reach the same conclusion but will perhaps present it in a slightly less excited way – probably, therefore, less effective. I think that the amendment is unnecessary. I do not feel that strongly about most of the Propositions in the Scrutiny Management Committee's policy letter, I am afraid to say to them. I am not too fussed what happens with it all of Propositions 2 to 5 because I think
3285 the issue of emergency healthcare, it is a relevant issue but it certainly is not as substantial as the issue that is contained in Proposition 1, which I will come onto in a moment.

Proposition 3 is incoherent. I do not understand what Proposition 3 means because it says: 'Direct P&R and ESS to consider the implementation of additional options within the benefit tax system and report back to the States'. That is not a direction at all. It could be an option that, from
3290 now on, a form could be filled out in blue rather than white. It actually does not tell P&R and ESS what to do, at all, so I do not think there will be any great loss if Proposition 3 goes.

I cannot bring myself to get too excited about the collection of data in Proposition 4 and I think ESS and E&I are already committed. In fact I think they may already be obliged by States' Resolution to come forward with, effectively, a housing strategy. I think Deputy Green referred to it as a co-ordinated approach to housing, but it means the same thing. So I think the purpose
3295 behind Proposition 5 is already captured in the States' Resolution.

But the reason I will vote against the amendment is to do with Proposition 1 in the Scrutiny Management Committee's policy letter and I will vote in favour of Proposition 1. I do not

3300 understand what the objection is to Proposition 1. We have had debates in the past, in this term,
which have touched upon – we have not been restricted to, but they have touched upon the issue
of primary care. On each and every occasion, the Committee *for* Health & Social Care has said,
‘We intend to deal with this issue.’

In fact the most recent occasion it was debated, I think it was probably on the Budget, but I
cannot be 100% sure, I think Deputy Soulsby, in response to something I was saying and I think
3305 she asked me to give way and I did, I think Deputy Soulsby created the impression, at least, if she
did not say it in so many words, that the Committee *for* Health & Social Care would come back to
the States during 2019 with proposals to address the unacceptable costs of primary healthcare.

If that is the case then there cannot be anything objectionable in Proposition 1. If, on the other
hand, the Committee *for* Health & Social Care is not coming back to the States in 2019 with
3310 proposals to address the unacceptable costs of primary healthcare then I think we need this
Proposition 1 even more, because I think it is unconscionable that we can get to the end of this
States’ term and not address the issue of the cost of primary care. There are thousands of people
in Guernsey, low income people, who are staying away from accessing primary care because it is
so expensive.

3315 I know it is easy to say we are a relatively affluent Island but we are and it is absolutely absurd
that people on low incomes, very low incomes, are being charged £60 every time they go for five
minutes or 10 minutes to a GP. To be perfectly honest, I would not necessarily prioritise adult
visits to GPs, but what concerns me in particular is children’s visits to GPs and there are many
families who are making decisions reluctantly not to take their children to GPs when they need to,
3320 because they cannot afford it. We at the present time in the States are doing absolutely nothing
about it, despite knowing for years and years that it is a problem.

In fairness, the Committee *for* Employment & Social Security, in the extension of the
Supplementary Benefit Scheme into Income Support, did bring some of those people into the
support scheme but even then that was quite limited. Not as many people were brought into that
3325 net of financial assistance for primary care visits, as I think the States thought would be, when the
proposals were originally approved.

In fact, there was a debate about that in the States only a few months ago and I think it is
generally accepted that although Income Support, despite what Deputy de Lisle often says to the
States, it is generally accepted the changes in that scheme were extremely beneficial and
3330 necessary, including in relation to primary care, but the extent of the improvement in access to
primary care was actually quite limited.

The point is I am very supportive of what most of the Committee *for* Health & Social Care is
trying to do, but I think, because we have got three years into this States’ term, very nearly three
years into this States’ term, and the States have been presented with no ideas at all to address the
3335 problem of primary healthcare costs, I think it is reasonable for the States to direct them to return
before the end of this year with some proposals. The States are not trying to tell the Committee
what to do, they are just identifying that there is a problem and are asking the Committee to
come forward with their own solutions.

I think we are slightly in an era where Committees take great offence if the States ask them to
3340 come forward with some proposals to deal with matters which are in their mandate. This is an
entirely new objection. When I was first in the States, Committees generally did not object to the
States being asked to direct them to come forward to deal with matters which were in their
mandate.

The Committee might disagree with what the States wanted them to do, they might have a
3345 policy difference, which is fair enough, but all that is being asked for here, if this Proposition is
turned into a Resolution, the effect of the Proposition would be to require the Committee *for*
Health & Social Care, three and a half years into its term of office, to return to the States to advise
what it is going to do to improve access to primary care. I cannot see that that is unreasonable. In
fact, I think it would be unreasonable for us not so to direct the Committee.

3350 If Deputy Soulsby's Committee is going to do this work anyway, then it would have discharged that Resolution some time in 2019 and if it comes forward with some ideas, which do improve access to primary care, then all it will do is stick at the end of its Propositions 'and rescind' the Resolution the States have made today because it will no longer be necessary.

3355 If the Policy & Resources Committee and the Committee *for* Health & Social Care is going to deal with this through meaningful, substantial Propositions in the Policy & Resource Plan, well that is good because that is before 2019 and all they will need to do is put a Proposition at the end of the Policy & Resource Plan which says, 'rescind the Resolution' the States would have made today because the issue would have been dealt with.

3360 But if you look at the amendment, all the amendment is asking the States to do, noting the Scrutiny Management Committee's policy letter and then directing the Policy & Resources Committee to review and report on workstreams and measures in the Policy & Resource Plan. That does not require them to do anything. The Committees could carry on exactly as they are, with the current pace, doing all the work they are currently doing, and all that would be required in the terms of this amendment is that the Policy & Resources Committee would need to tell the
3365 the rest of the States what is being done.

I do not think that is adequate. I really do think that this States needs to address the hurdles to the access of primary care. It does need to do something to reduce the costs of primary care for those people for whom it is prohibitive. I am not saying that Deputy Soulsby's Committee is not committed to it. I am not saying that they are not working on it now. I do not know, in six weeks'
3370 time they might have a policy letter ready, where they are going to come to the States and say, 'We have come up with a solution.' Then fabulous. If that is the case then I think they will have the support of the States, they will be congratulated and, at the same time, they will get this Resolution rescinded.

3375 But we have no concrete, substantial assurances, that that work is being done. I cannot say to anybody today, I know that by the end of 2019 the States will have made meaningful process in making primary care more affordable for those people for whom we know it is currently unaffordable.

3380 **Deputy Yerby:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Yerby.

3385 **Deputy Yerby:** One of Deputy Fallaize's favourite hobbies is telling us at HSC it is not doing anything on primary care and one of my favourite hobbies is telling him that it is. But on this point, HSC has made dealing with accessible and affordable primary care a centrepiece of its Partnership of Purpose, which the States has voted on. The security given by this Resolution is no additional security than that already given in the Resolution on the Partnership of Purpose.

3390 **Deputy Fallaize:** I do not think that is correct. I think that this Resolution does go beyond what is in the Partnership of Purpose, and in any event, because it is attached to the analysis that is set out in the Scrutiny Management Committee's Report, I think the practical effect of this Proposition, which I hope will become a Resolution, would go beyond what is in the Partnership of Purpose.

3395 **Deputy Soulsby:** Sir, point of correction.

The Bailiff: Deputy Soulsby.

3400 **Deputy Soulsby:** It is a sort of point of correction. It is slightly off the Partnership of Purpose but the States have already approved that we would do this work through 2018 through the P&R Plan of last year. So we have already said we are doing it. It really does not add anything at all.

Deputy Fallaize: That was more or less the same point that Deputy Yerby made. I do not accept that the States have established clearly enough an expectation in the Committee *for* Health & Social Care, this year to come forward with proposals to resolve the hurdles, which too many Islanders face in trying to access primary care.

Deputy Soulsby obviously feels that there is adequate direction but then she sits on the Committee that would be so directed. I feel, not being a Member of that Committee, that the States has not set out its expectations in this area clearly enough and I think it should do so. Therefore I think the amendment should be defeated and the States should vote in favour, in particular of Proposition 1, because I think that Proposition will give us a better chance than we have at the present time of bringing to some kind of Resolution this longstanding problem of access to primary care, which has gone on now for far too many years.

Thank you, sir.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

For the sake of variety I am going to do this the other way around to Deputy Roffey. I am going to start with my gentle appraisal of the amendment and I am going to get onto my main points after. I am not opposed to last-minute motions; I cannot be because I have been involved in a few myself over the last few years. But for a number of reasons this is a deeply unsatisfactory, uncalled for amendment.

The reasons are as follows. The relevant Committees, including Policy & Resources, have been worked with, consulted and updated throughout the process of the investigation into in-work poverty, over many months. Up until recently I thought that was almost a model example of joint working co-operation between various Committees. But of course I do not think that now.

That includes the wording of the Propositions. This is why I am so surprised that this amendment came so late. P&R were consulted in regard to the wording of the Propositions. I do not know if Members know that or not. Yet here we have this amendment.

The motivation for this amendment has to be seriously questioned and examined. For years, members of the public, the media and politicians, at least they have given that impression by some of the things that they have said, have called for the work of Scrutiny to be more effective, more meaningful, visible, to add value, to make a difference, to trigger action if and where required, in a way that would have a positive impact on the States' and Committees' work and operations.

But I suspect this is the real problem here. Perhaps the intentions behind the amendment are genuine but I am doubting that very much. This is not about good governance or co-ordination or holistic working. I think this is more about toes being trod on. This is more about territory being encroached upon. As I say, there is room for doubt in that regard, sir, so maybe I cannot call it a red herring, it might be a pink herring. But I suspect it is more like a burgundy herring.

Heaven forbid that the work of the Scrutiny Management Committee might gain some traction and might have some effect on the way and how Committees work. I do not think for one second, sir, that the Scrutiny Management Committee is exceeding its mandate. It is certainly not setting a precedent, sir. Scrutiny committees have brought propositions to the States in the past for endorsement and I think back to when Deputy Brehaut was the chairman of the Scrutiny Committee. They brought propositions to the States for endorsement. It has certainly happened in other parliaments.

The In-work Poverty Review reveals that in part, inadequate policy or even lack of policy contributes towards a very real issue of in-work poverty; that some of our fellow Islanders who are doing the right thing, working, taking responsibility for themselves, contributing towards our community and our society, are being done a disservice. This is a matter that needs to be addressed and it is our function, the Scrutiny Management Committee's function, to broadly

recommend how that might be done. That is the spirit that these recommendations have been brought in.

3455 Purposely they are not asking the States to approve or direct detailed specific policy initiatives to be developed. They are of a far more general nature. Yes, suggestions have been made in this report, but it is for the directed Committees, if they are directed by this Assembly, to decide what specific policy initiatives should be developed and brought back to this Assembly for debate and consideration.

3460 But no, the impression is being given that the SMC are overstepping their brief; that they have the temerity, nay, audacity, nay, effrontery ... I was just looking for my dictionary to see if I could find any more suitable words to describe what I am saying but I think the point is well-made. Perhaps I should say cheek or nerve. They have the cheek or nerve to seek some sort of action on the back of the findings of an investigation and ask the States to direct that action. What a radical
3465 concept, that a committee has conducted an investigation, it has compiled and established its findings, drawn its conclusions and, based on those findings, they have recommended something to the States.

Why would you not recommend something, if you have gone through that process, and ask the States to debate and approve those recommendations? I say again, but in a different way,
3470 these recommendations are not prescriptive, they are genuine.

I just want to have a look at a press cutting that appeared in the *Press* of Friday, 30th November 2018. It was an article in response to the release of this In-work Poverty Report. I have to say, in fairness, these are comments by Deputy Soulsby and Deputy Le Clerc and I think their comments are reasonable enough. But it is the headline that I want to refer to. The headline is:
3475 'Scrutiny poverty report plucks un-costed solutions from the air'. I do not see that as a criticism of the report. I say, exactly. It is not for the Scrutiny Management Committee to work up the detail, the practicalities, the costings of a specific policy initiative. That is for the relevant directed Committees.

I just want to refer to some notes that I was keeping for general debate, but now we are in
3480 general debate I will get into them because I think they are very relevant. Deputy Merrett has touched on this to some extent but I want to provide some sort of timeline in regard to States' awareness of poverty and in-work poverty in Guernsey and these points will highlight why some action is needed now. Not delay, why direction is needed today or, probably, tomorrow, I suppose now.

3485 As I say, Deputy Merrett referred to the requête that was brought to the States in 1998 and that is referred to in Scrutiny Management Committee's report on page 10, in 8.10.

The Government in Guernsey has considered aspects of local poverty in the past. In March 1998, the States accepted a Requête regarding low-income earners and households (Billet VI, 1998).

That requête in part said this, I am just going to pick out a few points:

To the best of your Petitioners' belief and information there is a significant number of low income earners and low income families in Guernsey. These people are having to cope with a very high local cost of living and in particular the cost of housing. A combination of these factors leads to a poverty trap for low income earners in Guernsey.

It goes on to say:

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Your petitioners believe that action must be taken with the minimum of delay to tackle the problem.

That was in 1998. Then, sir, between 2000 and 2001, this was something Deputy Roffey referred to, two surveys were carried out and these findings made up what is known as the Townsend Report. In the In-Work Poverty Report in 8.13 and 8.14 it says this – the phase two survey of the Townsend Report:

... was able to establish the number of households where the standards of living and incomes were so low as to be considered as unacceptable by the overwhelming majority of Guernsey people. This report identified that there is a

minority of people (around 16%) who have such low incomes that their standard of living is below the minimum acceptable to the majority of Islanders.

3495 Then in 2007, and I need to refer to 8.16 of the Report here, these reports were followed up by – and it is a bit of a mouthful – what is known as the Corporate Anti-poverty Programme Monitoring and Update Report. I will just take a sip of drink. This is a really important part and I am going to repeat a word twice. This is the danger of the amendment.

Subsequently this workstream was subsumed within the Government business planning process.

3500 Subsumed. There it stayed with little meaningful progress. I just want to qualify that by saying I appreciate we have got Supplementary Benefit and now we have Income Support and I appreciate the good work that the Employment & Social Security Committee are doing on their plan for the minimum wage but, as we know, in-work poverty is a much more complex issue than that so there is only so much that those things can do. There is a whole raft of people that need help that are not getting it at the moment.

3505 So there it stayed, with little meaningful progress. Bear in mind that since these three reports, one from 20 years ago, one from about 12 years ago, one from about 18-19 years ago, one from 12 years ago, the 2007 one, zero-10 has come into play, shifting a tax burden further onto individuals and there has been the little matter of a global financial recession or crisis, the effects of which still impact us today.

3510 Now, we are told that Guernsey had a good recession. But that negative impact, particularly on low income Islanders, earners and households, has clearly had a detrimental effect. Those are the sort of people that have seen little in the way of increases in their incomes since that recession. So I think we can safely assume that things are no better and are probably worse than they were 20, 18 or 12 years ago when the requête and the reports came along.

3515 So when we look at that word 'subsumed', I think you can substitute that word for other words and they are all words that are suitable for before the nine o'clock watershed, so I will refer to them now: assimilated, absorbed. When something is subsumed, it is normally diluted, as well; loses its potency. Its significance is diminished. That is what will happen if this amendment is passed. I am quite certain of that.

3520 That is why, because that process was absorbed into the Government planning process, there has been no real, meaningful action – as I say, I do acknowledge the work that has been done at ESS – in regard to poverty and in-work poverty across the States as an organisation. It is clear that this is a real problem and it needs real solutions sooner rather than later and we can begin that process during this States' meeting, during this debate.

3525 Not by the SMC trying to micro-manage the work of various Committees but by the States agreeing to direct some fairly wide-ranging investigations in order for the directive to the Committees to arrive at some more specific policy initiatives to give some impetus, to inject some urgency in regard to the issues that are already within their scope.

3530 The report makes many suggestions in regard to what policy initiatives might be considered. We have heard about those in regard to primary care costs, housing and so on. But it will be up to the Committees to explore all the avenues and bring their findings, solutions, costings, recommendations back to the States.

3535 This is a complex area, as we know. As Deputy Roffey said, it is not just about the minimum wage. There are other factors and causes of in-work poverty, hence the suite of Propositions and the range of them. That is borne out by the second part of 4.9 on page 5 of the In-work Poverty Report:

The Scrutiny Management Committee believes significant levels of in-work poverty in this Island indicate a failure of the existing policy and that both the States and the wider community must be involved in the solutions.

So the evidence indicates a shortcoming in States' policies and in addition that the private sector and the market have a part to play in the cause or existence of in-work poverty and

3540 hopefully a part to play in resolving it. So we are talking about, yes, primary healthcare costs, the cost of housing, rents, housing costs more generally, services and goods and so on. So there is a need to investigate all the policy areas that relate to in-work poverty, with a view to developing and implementing policy initiatives that help to alleviate and tackle the various causes of in-work poverty.

3545 That, by necessity, will involve some market intervention as well as things that the States might be able to do directly, in other words, in the areas of taxation and so on. Wanting or attempting to deal with the issue of in-work poverty is not based on hand-wringing, leftie thinking or idealism. If it was I would not be standing here today saying these things. It is based on the hard fact that in-work poverty exists on this Island and its effects are incredibly negative and harmful; not only for the people and the household experiencing it, sir, but also for the wider community.

3550 That point is illustrated very well, once again, in the In-work Poverty Report. I would just like to turn to that. I am going to turn to page 5 again and it is going to be 4.7, down to part of 4.9; 4.7 says:

Poverty is damaging not only to those directly affected but to Guernsey's economy and wider society, leading to additional public spending on health, education, social care, the criminal justice system and significant costs to the social security system. It also impacts our local economy, by limiting the contribution of those who could do more, whilst at the same time requiring the States to pay the costs of additional benefits. It is a problem for everyone who wants to see a genuinely cohesive and fairer society. In summary, it makes sense to tackle this problem because first, morally it is the right thing to do and secondly, because it makes sense economically.

3555 So wherever one sits on the political spectrum, left, right, centre-left, centre-right, wing-halfback, because those terms do not mean very much at all, there are some very good, sound, solid hard reasons, economic reasons, States' expenditure reasons, to tackle in-work poverty. Let alone from a social policy or justice fairness point of view.

As a States, we have quite clearly made our intentions known when it comes to those things. If we look at page 3 of the In-work Poverty Report, 4.1 to 4.2.

The achievement of the key objectives of the Policy & Resource Plan depend on ensuring that economic prosperity is effectively shared across the whole community within what is widely perceived to be an otherwise prosperous society. It is clear from the evidence that many of those who are experiencing in-work poverty are doing what society expects of them; they are working hard yet despite this they are unable to achieve what most Islanders would consider a reasonable standard of living. Guernsey aims high for its citizens and those aspirations are reflected in the Policy & Resources Committee's expression on making the Island 'among the happiest and healthiest places in the world' to live. There is an expectation that working Islanders should enjoy a reasonable standard of living. In-work poverty, and what in the UK have been called the 'Just About Managing', should therefore have no place in Guernsey's vision of its society.

3560 There is something to add to those points, in 4.7 to 4.9, the effects of in-work poverty on Islanders and the wider community and that is the effect that poverty and in-work poverty can have on the children living in households experiencing those things. This was a major theme during the NEU conference in 2018. That is the National Education Union conference. This was a report on a survey that was conducted by two organisations: NEU and the Child Poverty Action Group.

3565 I would just like to read a few headline points and findings from that NEU Report. It starts like this:

Growing child poverty is affecting children's learning.

– say NEU education professionals –

Schools and education staff are increasingly providing the service and essentials of daily life to stop families falling through the cracks.

It goes on to say:

A snapshot survey of samples of head teachers and school support staff who are members of the National Education Union reveals the extent to which poverty is damaging the educational opportunities for children from poor families. A staggering 87% of respondents say that poverty is having a significant impact on the learning of their pupils and students and 60% believe that the situation has worsened since 2015.

Further down it says:

Parents are in crisis and not managing their children's emotional or physical needs as they are so stressed out about money. The support we need to provide for these families cannot be underestimated.

3570 It goes on to say:

It is not just schools themselves that are supporting children from low income families. Individual teachers, school leaders and teaching assistants say they are providing a range of essential items to their pupils and students, including food, books, stationery, PE kit, uniform, sanitary protection, personal hygiene products and transport costs.

Kevin Courtney, who is the Joint General Secretary of the NEU, said this – this is in the UK of course.

The level of child poverty teachers and school staff are witnessing on a daily basis is having a dreadful effect on the life chances and education of far too many children and young people. It is a scandal that 4.1 million children, 30%, now live below the official poverty line after housing costs.

And this is a really important bit, sir, if Members do not think this is relevant:

More than two thirds of children in poverty live in working families.

3575 It goes on to say:

We can and must do better as a society. Our Government cannot continue to preside over such inequality and misery. Teachers see the heart-breaking reality of rising child poverty every day in their classrooms and dinner halls. It is time to ensure all families have enough to live on and to rebuild the safety net for struggling parents. Teachers asked to rate the extent to which poverty affected their students' learning, if at all; 87% answered to a significant extent; 60% of respondents said the incidence and impact of child poverty on pupils and students from low income families in their school had got worse since 2015.

Now before anyone points out that this is a UK report, I can tell Members that over the years I have been contacted by local teachers, here in Guernsey, in our Island, who have had and are having experiences that mirror the findings in the NEU report. I am sure some of my Assembly colleagues could tell a similar story; that they have been contacted by teachers telling them these stories.

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Clearly, poverty in general, dysfunctional families and perhaps other things, must play a part or in part be the cause of this terrible picture that is emerging. Clearly in-work poverty, as we are told in this NEU report, is a significant factor, and if we are not prepared to tackle in-work poverty, and tackle it very quickly, we are building up problems for ourselves – problems for ourselves as a States and problems for our community.

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Now, I have got into how long the issue of poverty and in-work has been going on. It was recognised in 1998 and here we are, over 20 years later, with some being done but little concerted effort across the States to tackle it. Now is not the time for delay, now is the time for action. The Scrutiny Management Committee has not overstepped its mandate. It has not overstepped itself. It is putting forward very general recommendations. It is asking the States to endorse, to send the relevant Committees off to do this work, so we can find a meaningful way, via specific policy initiatives and measures that they will work up to tackle the issue of in-work poverty.

3590

Thank you, sir.

3595 **The Bailiff:** Deputy Inder, do you have a short speech?

Deputy Inder: Very short, sir.

3600 My initial response to the SMC report was actually to check, as a SACC President, I thought I would play the game for a while. I was not entirely sure whether the Scrutiny Management Committee could even bring a report with a set of directions. Something SACC might need to look at is whether we need to harden up and get some more clarification there. The advice we got back from the Law Officers was that they could. I do not think it is particularly clear.

3605 I suppose the worst case scenario would have been, quite simply, to have two years' worth of work just as a noted report. I do not actually know what is worse, dancing on top of a pinhead whether Scrutiny can bring proposals or actually sitting and watching two years' worth sit as a noted report? I just do not like noting.

3610 In fact, just to have noted it would have moved it from an In-work Poverty Review to an Inert Poverty Review, (*Laughter*) which would have been a complete waste of time and resources and we are always talking about efficiencies. I was initially going to give serious consideration to the amendment put in by Deputy St Pier and Deputy Stephens and play the line but I do not think I am going to.

3615 I am reminded there has been enough spoken about in-work poverty itself but I think one that I am particularly interested in is the housing side of it. If you remember we looked at that fairly flaccid report that was produced by KPMG; was it June/July of last year? I think it was. Ninety thousand pounds and nothing really came out of it. A bunch of recommendations and we are here again with another report giving a bunch of recommendations.

3620 I think first-time buyers are extremely important. I am not going to go into it too much because we have not got much more time. We are seeing people leaving the Island and we are seeing people turning around and looking at the Island and not wanting to come back. We are losing our working talent in this Island and this has to be dealt with as quickly as possible.

3625 The only problem I have got with this, and I have got Deputy Gollop, through you, sir, nodding his head, is we have just been through an IMR Report so anything we do on first-time buyers we may turn around and look at a DPA Law that basically says we cannot do anything without going into a four-year review.

3630 At some point we have got to decide whether we are a Government or not and if we can be efficient, if we can do things that help and benefit this Island we need to remove some of these laws, lift them if we have to, get on with it and do something that, as we all walked around the Island and I think, Deputy Graham, you referred to it a couple of sessions ago, we saw people living in multiple occupancy, we knew that children were not coming back; we had people worried about care; we had key workers not coming to the Island. It was not good.

3635 We have gone through that pretty much useless KPMG Report in June/July last year and we are here again talking about FTBs. Now in all good conscience, next year, we have to take responsibility. We cannot say Policy & Resources did not do it, SMC did not do it. We are all collectively responsible for doing something. We are all collectively responsible. Do not go back to your electorate next year and say, 'It is nothing to do with me.' We are the only people that can do anything about first-time buyers, the only people in this Island and it is our job to do it.

For that reason and that reason alone, I will support SMC's Report and I ask Policy & Resources, whoever it is – I had better be careful – to get a jiggy on and deal with the issue.

3640 Thank you very much, sir.

The Bailiff: We will rise now and resume at 9.30 a.m. tomorrow.

The Assembly adjourned at 5.31 p.m.