



STATES OF DELIBERATION

HANSARD

UNEDITED TRANSCRIPT

**Royal Court House, Guernsey,
Thursday, 9th November 2023**

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As this is an unedited transcript, direct quotes may not be used, as corrections will still be made before the final Hansard report is published.

States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

CONVOCATION

Billet d'État XVIII

POLICY & RESOURCES COMMITTEE

1. States of Guernsey Annual Budget – Debate continued

5

The Bailiff: Deputy Oliver, Deputy Murray, is it your wish to be relevé?

Deputy Oliver/Deputy Murray: Yes please, sir.

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The Bailiff: We will get you in quickly. We are moving on, Members of the States, now to Amendment 11 if Deputy de Sausmarez wishes to move that amendment now is your opportunity please.

[Amendment 11](#)

To direct the Committee for the Environment & Infrastructure to implement the rates of First Registration Duty as set out in the Table 1 of the explanatory note to raise an estimated £340,000 in additional general revenue, and to amend the relevant table in Appendix V to add £250,000 to the 2024 budget for the Committee for the Environment & Infrastructure for 'Passenger Services' to mitigate as far as possible the need to increase standard bus fares in real terms in 2024.

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Deputy de Sausmarez: Thank you, sir.

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Members will no doubt be relieved to hear that I have not got a long speech prepared for this. I think our minds are all well and truly focused on the time constraints of the day. So I am hoping that, as per our last amendment, we can have quite a concise and focused debate on the amendment in hand and this one, I am pleased to say, is I think quite straightforward in its concept but is also, I suppose, a bit of an outlier because it actually proposes to put money into the budget. It has a positive financial impact and so Deputy Helyar when he opened did talk about, and actually I have lost the bit of paper I scribbled it down on, three key principles that we needed to bear in mind.

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One of them was the need to be progressive another was to have mind for the net fiscal situation of the States and another was to protect the lowest earners, I might have got those in the wrong order but I am pretty sure those were a paraphrased versions of the principles that Deputy Helyar

reminded us of when he opened on this debate and I am pleased to say that this amendment ticks all three of those boxes.

30 So really what it is is this is a Committee amendment put forward by the Committee for the Environment & Infrastructure and we are proposing to add two bands onto the first registration duty for the highest emissions vehicles which we think modelling, quite conservative modelling, estimates that will raise around £340,000 additional to what otherwise would be raised. So basically there is an RPX uplift across all bands and then two additional bands added on.

35 The second part of this amendment, because it is an amendment in two parallel parts, is that there is a cash limit transfer of £250,000 to the Committee for the Environment & Infrastructure specifically to mitigate as far as possible the need to increase bus fares in real terms next year because that is a real risk.

40 So really what this amendment does is it addresses two key problems; the first problem is one that I am sure Members are very familiar with and that is that we have had very significant cost pressures on our bus service and I am sure I do not need to recap, but I am happy to if people want me to, the reasons for those pressures but they are set out in the explanatory note as well.

45 Very significantly in addition to inflation, above inflation those cost pressures for reasons completely outside of the Committee or indeed the bus operator's control. We are concerned because we have already had to raise bus fares twice in the last five or six months and we are very worried about this, the bus service is obviously a vital public service especially for those on lower incomes and people of more modest needs and in the time of a cost of living crisis I think that is a very salient point indeed.

50 So that is our *raison d'être* for doing that, that is one of them, but actually this amendment also addresses another problem that was actually identified two or three years ago which is that our first registration duty does not actually do the job that it was intended to do and when you compare it to other jurisdictions you soon see why. It is very, very much lower in terms of those higher emissions bandings, very much lower than comparative jurisdictions.

55 So, I do set it out, I think it people turn to the explanatory note those numbers are set out in the third paragraph or the second one under first registration duty, it explains that whereas our top rate is 131 grams to 141 grams for diesels and 151 grams to 165 grams for non diesels, by comparison the top two highest bandings in Jersey are 176 grams and 201 grams respectively and the UK's are 226 grams and 255 grams. So our bandings do not even go there and when you look at the costs as well, again they are very much lower than those comparative jurisdictions.

60 So it is clear that there is significant head room even just comparing it to other jurisdictions but we know from our own evidence gathering as well that the top band of this, which is essentially a pollution tax, has done absolutely nothing to influence consumer behaviour in respect of moving people towards less polluting vehicles.

65 Now obviously these metrics are, I am sorry I know Deputy Roffey hates that word, these metrics are in terms of carbon dioxide emissions but we should also remember that there are a whole bunch of other nasties bound up in that as well which I am sure Members of the Committee for Health & Social Care are probably quite keen to reduce as well.

70 So really this is an amendment that we think as a Committee presents quite a neat solution to two issues and as I say we think it is a fiscally responsible way of going about addressing both of those issues. We have done a lot of work, we did actually try very, very hard to get this to P&R before the budget letter was actually printed so that we would not actually need to bring an amendment but unfortunately we were foiled in that respect through circumstance but I hope that this, what is in essence, quite a straightforward amendment can have quite a straightforward debate and hopefully gain the Assembly's support.

75 But really I would just to end on that note that really the overriding concern here is that without this amendment passing we will need to raise bus fares again as soon as April and we have already had two raises in pretty quick succession and we are very concerned about the impact of that. So I really would urge Members to support this.

Thank you.

80 **The Bailiff:** Deputy Gabriel, do you formerly second Amendment 11?

Deputy Gabriel: I do, sir.

The Bailiff: Deputy Mahoney.

85 **Deputy Mahoney:** I would like to try 24(6) please, sir.

The Bailiff: Well I am satisfied that this goes further than the original Propositions in relation to certainly the first parts of the amendment and it is a composite amendment. So, are you asking me to put a motion that Amendment 11 be not debated?

Deputy Gabriel: Yes please, sir.

95 **The Bailiff:** In that case this is a motion that Amendment 11 should not be debated any further and we move onto the next one.

The vote was undecided

100 **The Bailiff:** I think we are going to have to have a recorded vote (*Laughter*) in relation to that. Deputy Dudley-Owen is not entitled to vote because I forgot to ask her whether she wanted to be relevé (*Laughter*), sorry.

There was a recorded vote.

Amendment 1

105 *Not carried – Pour 12, Contre 22, Ne vote pas 4, Did not vote 0, Absent 2,*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Blin, Chris	Ferbrache, Peter	None	Dudley-Owen, Andrea
Dyke, John	Brouard, Al	Kazantseva-Miller, Sasha		Leadbeater, Marc
Haskins, Sam	Burford, Yvonne	Roberts, Steve		
Helyar, Mark	Bury, Tina	Snowdon, Alexander		
Inder, Neil	Cameron, Andy			
Le Tissier, Chris	De Lisle, David			
Mahoney, David	De Sausmarez, Lindsay			
McKenna, Liam	Fairclough, Simon			
Moakes, Nick	Falla, Steve			
Murray, Bob	Gabriel, Adrian			
Prow, Robert	Gollop, John			
Vermeulen, Simon	Le Tocq, Jonathan			
	Matthews, Aidan			
	Meerveld, Carl			
	Oliver, Victoria			
	Parkinson, Charles			
	Queripel, Lester			
	Roffey, Peter			
	Soulsby, Heidi			
	St Pier, Gavin			
	Taylor, Andrew			
	Trott, Lyndon			

The Deputy Bailiff: The voting in respect of the motion proposed by Deputy Mahoney under Rule 24(6) was there were only 12 Members who apparently voted in favour and there were 22 who voted against, there were 4 who abstained and therefore I will declare the motion lost so who wishes to speak? Deputy Prow.

Deputy Prow: Thank you, sir.

I can be very brief. I think Deputy de Sausmarez for a very clear explanation to the amendment and I will listen to debate. Where I am nervous is that although Deputy de Sausmarez has said it increases the tax uptake, which it does in one hand, but in the other hand it talks about to add £250,000 to the 2024 budget for the Committee of the Environment & Infrastructure. What worries me about this is the hypothecation of tax where it could be very tempting for all Committees who have a pet project to find some way of funding.

Deputy Gabriel: Point of correction, sir.

The Bailiff: Point of correct, Deputy Gabriel.

Deputy Gabriel: Providing a public service on the buses is not a pet project, it is a public service.

The Bailiff: Deputy Prow to continue.

Deputy Prow: Thank you, sir.

I was not saying it was, if you recall what I actually said I was talking generally about Committees having a pet project and finding some way of funding it and bolstering their budgets does, to me, spell a dangerous precedent. So, I am very nervous about taking with one hand and adding to a budget with another hand but as I said, sir, right from the start, I will listen to debate.

Thank you, sir.

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

I was not planning on speaking on this but as often happens I was forced to my feet by Deputy Prow's comments. Personally I would commend any Committee of the States to come up with revenue raising opportunities that help subsidise their budgets that help them provide services to this Island. Please, I want every Committee; I would like them to come forward with those ideas.

Now on this specific proposal I am supportive. We have extremely cheap vehicles in Guernsey compared to virtually anywhere else in the world. In Hong Kong it was over 100% import tax, in Singapore you had to bid for the right to own a vehicle of a certain engine size on a 10 year basis and those bids often went to two or three times the price of the vehicle. Other jurisdictions charge a much larger import duty into their jurisdictions so I think this is a perfectly sensible proposal and despite the fact my brothers will not thank me, because they do like their flashing sports cars, (*Laughter*) luckily my taste runs to rusty rather than racy so it will not affect me so much, but they will not thank me.

I think this is a perfectly legitimate proposal and I have absolutely no problem with any Committee coming forward with a suggestion that raises revenue and then they can turn around and say well as a section of our budget request, I will not be giving way, as a section of our budget that we requested that P&R refused to fund that we have come up with an idea to fund it and I believe that is the case with E&I. So, I fully support this and I also fully support the principle behind it.

Thank you, sir.

The Bailiff: Deputy Dudley-Owen let me get you relevé if you wish to be relevé?

160 **Deputy Dudley-Owen:** Thank you, sir.

The Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you, sir.

165 I requested the 24(6) on this because first of all it goes beyond the budget and secondly, and most importantly I suppose is it is entirely not required. This amendment directs E&I to implement rates for the first registration duty detailed by the table that is in the amendment there but the authority to implement those rates is entirely within the existing mandate of E&I, they do not need to come back to States to get that authority to do so, they can do that today if they want to do that
170 within Committee. They do not need to ask our permission to raise those rates, so you have to question why are they here asking for that.

What this really is about is the second part which gifts an extra £250,000 to the buses. The budget proposals that everyone knows the process, we ask you what your budget is, you come back to P&R, we say no, you come back with the same thing and we settle somewhere in between.
175 *(Laughter)*

The budget proposals that are currently in front of you are now already include an extra £300,000 that E&I requested and were granted, they have already asked for that and been given it. Now in fact they asked for £600,000 and P&R granted them £300,000, not me by the way just for the record, but anyway P&R granted them £300,000 with a further £200,000 provided in the budget reserve for potential contractual increases. That is already there, that is already agreed by P&R.
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So, given the additional £300,000 already approved could the President please advise, for transparency and I am sure interest to the general public, what subsidy this States now pays to run the bus service? I believe it used to be £4 million a year *(Interjection)*, taxpayer money £4 million to fund the bus service.

185 Now they have asked for more money so I am going to assume it is going to be higher going forward. We are approaching a £4 per person subsidy every time someone gets on a bus. If E&I need another six figure sum perhaps they should disband the active travel unit, a group that approached P&R, and I am not making this up, to introduce a walking allowance for staff. *(Laughter)*

190 What this really is about is cover, let us have some top cover. This is an incredibly unpopular decision that E&I have in front of them raising taxes that we just know that but what this is about is rather than five people saying we have raised the tax, sorry everybody, let us get some top cover from 40 people so that that blame goes 40 ways not five ways. This is not required, this amendment is just simply not required and I urge Members to get rid of it quickly.

195 **A Member:** Hear, hear.

The Bailiff: Deputy Gollop.

200 **Deputy Gollop:** Sir, it will not surprise people that I largely disagree with the points made by the previous speaker on the buses because, amongst other things, I am a bus user and I am President and past President and Member of Living Streets Committee which is not an anti car movement in any shape or form but is encouraging vulnerable road users, more pedestrianisation, healthier options and choices.

205 Now, maybe I could do with a walking allowance *(Laughter)* but I do not think Deputies get that even during the elections. Yes, Deputy Mahoney does have a point about the size of the subsidy but of course when you are investing the buses they are subsidised or supported in a variety of different ways for different purposes because we are not just subsidising me on the bus for the sake of argument or commuter on the bus, there is free transport for all older senior citizens over 65 and a bit, that is one element, they have an essential role in providing school transport, therefore you
210 need a fleet, drivers and safely maintained. As Deputy Vermeulen and others know they have paid

a role with tourism in taking cruise liner passengers also with migrant workers a particularly high proportion of passengers nowadays are people who have moved to the Island doing key worker jobs. They even have free transportation for certain health workers and so on. So it is a broad public service as Deputy Gabriel pointed out.

215 I would say politicians tinker with public transport at their peril because you have seen a dramatic decline in England due to various measures of County Councils slashing grants to services and leaving many places without buses, especially in the early mornings or evenings or weekends.

220 But one of the big mistakes was the Right Honourable Gordon Brown, who funnily enough was Prime Minister when Lord Digby-Jones was a Minister, he in a very well meaning way gave free transport to people across the UK starting at 60, like Londoners have had for ages, which turned out to be a mistake because County Councils interpreted this by giving a grant per person regardless of distance travelled instead of the older person paying on the bus a commercial fare and over time companies that were reliant on older people found that they were getting less and less revenue and the answer was not to provide better bus services but to get rid of them altogether.

225 So there you go.

The Bailiff rightly said we should focus not on whether we support the amendment or not he said on the policy and there are two policies here. The first is all of us, or most of us with three or four exceptions including Deputy De Lisle, we voted as part of the funding package last month for looking at motoring and the motor sector as a source of revenue. So we all did that and so the fact

230 that we are looking again at these things should not necessarily be seen as cover.

Yes there is an element, Deputy Prow is right by hypothecation I think we have seen that in other areas such as the alcohol dependency areas for example where monies raised have been used for purposes, but the real policy I want to home in on here is Deputy de Sausmarez and her Committee have always maintained and encouraged use of public transport whether it be the free buses during

235 the Island's Games week or various promotional activities. I support active travel, I believe active travel has moved on more to the health improvement model but Deputy de Sausmarez can add to that point. But that in a sense is a side issue to this amendment.

The amendment is supporting bus services and the policy that we have agreed for several States going back to when Deputy Burford was Environment Minister and even before that in the days of Deputy Domile and prior States, was to support public transport with a realistic subsidy to give the maximum amount of journeys at a fare that is affordable. I make two further points here.

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Deputy Aldwell: Sir, point of order, I am sorry, sir.

245 **The Bailiff:** Point of order, Deputy Aldwell.

Deputy Aldwell: I am just not convinced that the history of the bus service in Guernsey is relevant to this amendment, if we have got any hope in getting through this business (**A Member:** Hear, hear.) This sounds like a speech to a policy letter which is not actually here this is purely an amendment to insert something into the standard Propositions.

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The Bailiff: I am going to say that Deputy Gollop is entitled to say what he is saying in his speech because of the wording that is in the Proposition to be inserted referring to bus fares. So anything relating to the bus fares is relevant to this but Deputy Gollop.

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Deputy Gollop: I thank you, sir.

I think my point is for various reasons since 2020 public transport has been under greater threat than it was due to driver shortage, the impact of COVID, recovery from COVID, changing visitor patterns, cost of fuel through Ukraine and other reasons. As a consequence certain journeys have not been able to be operated and there have been resource constraints.

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Across the UK and elsewhere you have seen a decline in public transport usage, we have not seen that in Guernsey we are seeing the figures stabilising and even on occasion going back to what

they were. That is, I believe, a strength of the policy and my point, I will accelerate the point, is the success of the bus sector has been a good service and competitive fares and if we do not support this amendment today we risk undermining that but we are also changing policy on the hoof because already I, along with quite a number people who have lobbied me, are annoyed that the Blue Puffin Pass, which was a monthly ticket, has gone.

That was because, I believe, Policy & Resources demanding cuts and restraints. It was not an environment and Infrastructure, we should have had a public transport debate, actually Deputy Inder is right we should actually have a transport strategy debate, we should have had it for some time. But, this is an opportunity to say no more, keep the service we have got, improve it and keep to the policy we have had for 10 years. We do not support this amendment we are undermining the least fortunate and the most environmentally conscious in society.

A Member: Hear, hear.

The Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you, sir.

So, I drive a huge diesel people carrier and one of the reason is I have to tow things, like boats and stuff, and I am also quite tall at 6'5" and quite a figure to get in (*Laughter*) so it is great to take away on holidays but it is a very, very clean diesel, it is the latest. The manufacturer does not actually make diesels anymore but it was one of the cleanest diesels ever made.

Now I wonder if the local motor industry were consulted about these increases in the first registration and I only say that because I am aware that times are tough, sir, and the motor industry is struggling. People are watching their money they have got, as we know, food inflation, they have got everything. Electric has gone up, water has gone up, mortgages have gone up and they are watching the pennies, holidays are being cancelled and they are being more and more cautious. So they are going through a tough time a bit of a doldrum.

We have got to be conscious of that, sir, because those people create employment on the Island with servicing, sales and other things which they sell and that is very important to and those businesses pay tax. I would not want to see people being laid off because of these increases being successful.

Now I was a bit surprised to hear some of the stuff that Deputy de Sausmarez said about Jersey, modelled on Jersey. Well of course Jersey has got a much bigger Island, a much bigger population and a lot more buses, obviously, to carry people around. So, I think we should celebrate being Guernsey. Let us celebrate the fact that we are Guernsey, if we can do it a bit more efficiently, we do not always have to model ourselves on other places, let us try and be a bit more like Guernsey ourselves that is what we should be doing.

Now another thing Deputy de Sausmarez said which I doubt, she mentioned active travel. Somebody else mentioned that your Committee does active and promotes active travel. Now I do support that I am not a cyclist, I used to be a very keen cyclist but no longer, but if we can keep people healthier I think that is a good thing and a positive thing.

I wonder if electric vehicles, which I see more and more being driven on the Island, my wife has got an electric vehicle which gives zero emissions and I am very happy with that, I believe that clean air is good for us so I think they should be encouraged, but I do notice that more and more manufacturers are making hybrid motors which is an internal combustion combined with battery. It might be plug in or self charging and I do wonder if those are included in these first registrations because the miles per gallon that these new vehicles are getting is extraordinary, sir, it is two, three times what it would have been in the 1980s. So the latest technology, constantly changing it kind of sorts itself out.

I do not think I am going to be able to support this one but that does not mean that everything that is coming out of this Committee is particularly bad it is just that I am not in favour of this amendment. I think I am going to support the local motor industry a bit more and obviously the

315 public that rely on their own transport to keep them independent and keep them mobile. Buses are important, yes, but it is not an open cheque book and I think the best way to sort out the budget for the buses is through consultation with P&R.

Thank you, sir.

320 **Deputy Inder:** Rule 26(1) please, sir.

The Bailiff: I invite those Members who wish to speak on Amendment 11 to stand in their places. Deputy Inder, is it still your wish that I put a motion to the States which is to curtail debate other than hearing from the Vice President and the Proposer of this amendment?

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Members voted Contre

The Bailiff: I declare that lost. If you are requesting a recorded vote after that declaration, yes? It was from someone else, a disembodied voice. If you will open the voting please Greffier.

330 *There was a recorded vote.*

Amendment 11

Not carried – Pour 15, Contre 20, Ne vote pas 2, Did not vote 2, Absent 1,

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Brouard, Al	Kazantseva-Miller, Sasha	Ferbrache, Peter	Leadbeater, Marc
Blin, Chris	Burford, Yvonne	Snowdon, Alexander	Roberts, Steve	
Dudley-Owen, Andrea	Bury, Tina			
Dyke, John	Cameron, Andy			
Helyar, Mark	De Lisle, David			
Inder, Neil	De Sausmarez, Lindsay			
Le Tocq, Jonathan	Fairclough, Simon			
Mahoney, David	Falla, Steve			
Meerveld, Carl	Gabriel, Adrian			
Murray, Bob	Gollop, John			
Oliver, Victoria	Haskins, Sam			
Parkinson, Charles	Le Tissier, Chris			
Prow, Robert	Matthews, Aidan			
Trott, Lyndon	McKenna, Liam			
Vermeulen, Simon	Moakes, Nick			
	Queripel, Lester			
	Roffey, Peter			
	Soulsby, Heidi			
	St Pier, Gavin			
	Taylor, Andrew			

335 **The Deputy Bailiff:** For the voting on the Proposition from Deputy Inder to curtail debate under Rule 26(1) was there voted in favour 15 Members, against 20 Members, 2 Members abstained, 2 Members did not participate and that is why it was lost.

Deputy Soulsby.

340 **Deputy Soulsby:** Thank you, sir.

I see Deputy Mahoney has just gone out of the room but I must say I was quite disappointed to hear a Member of P&R complain about the President of a Committee putting forward an amendment that will change their budget. I mean if there is anywhere that such a change should go it should surely be within the budget and that means it is open and clear for everyone to see the impact of it.

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From subsidies point of view, apparently we have spent loads of money on the buses and this is terrible, well there is a very good reason not just environmental that we should be trying to get more people either out of their cars and on buses or walking or on their bikes. But from an environmental point of view I am sure Deputy de Sausmarez and others can speak at length on that if they decide and I know Deputy de Sausmarez can and has got all the facts behind why it absolutely works.

But it also really demonstrates a lack of understanding about why do we have public transport in the first place. It is not just for environmental reasons it is to support those people who cannot afford to have a car, who actually rely on public transport and those people are the ones, the poorest in our society, for whom getting anywhere on this Island is absolutely fundamental to them and we should not forget that the last few years have been really difficult for that sector of our society so increasing the cost of fares will directly impact those people and I think it is our duty to ensure that we keep those bus fares affordable within our community.

Deputy Vermeulen talked about wanting to support the motor industry, (*Interjection*) I will give way to Deputy Vermeulen but he did say he wanted to support the motor industry.

Deputy Vermeulen: The local motor industry, not the global one, but also the local population as well with the independence that their own vehicle gives them. I do conceded that buses, I used to travel on a bus when I was a school boy and got in a bit of trouble on one once or twice, but yes (*Interjection*) I agree with Deputy Gollop that buses are useful for visitors and people who do not have cars. We passed something before which helps give an annual bus pass to encourage travel on that. But it is not an open cheque book we have got to watch the pennies.

Deputy Soulsby: I doubt I should have done that but anyway. This does not go against the local motor industry at all I mean there are lots of more affordable motor vehicles even if this amendment is passed. It is not going to impact the whole of the motor industry at all and what we want is less polluting cars on this Island and as a means of doing it this is an excellent amendment and I will be supporting it.

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

I hope to persuade Deputy Vermeulen to support this amendment. He says that there are lot of very clean larger cars and this is exactly what this amendment is encouraging people to buy. These cars exist and so if you do not want to pay a large first registration duty, and you only pay it when you buy a new car or import a new car you do not pay it each year or anything like that it is a one off charge and there are options to be able to have the kind of car you want but to choose a low emissions one. So this does not push people into having to pay this it is as much about helping the right choices.

But when it comes to the buses the fares are very price sensitive, as soon as fares start moving up people cannot afford to use it. People who travel on the bus 10 or 14 times a week who are on very low incomes who are working in minimum wage jobs, that starts to become a significant part of their income and because they are on those low wages they cannot afford to run a car. Running a car is not cheap and when I did the original, well not the original, but when I did the last major reiteration of the transport strategy in 2014 I researched how many people on this Island did not have driving licenses and I was absolutely shocked by that figure and I think because perhaps some of the circles that people in this Assembly are more likely to move in we do not realise how many people on much lower incomes either cannot or do not drive and if they are going to get to their job, if they are going to get to work, if they are going to do these things that are necessary for their life, contribute to our economy they need to be able to get to work and that is the reason for subsidising those fares.

400 But there are also people who currently choose to take the bus rather than take the car they do have and they are paying to go on the bus when they could take that car that is sitting in their drive way and park it for free all day on the piers in town and while we have that imbalance where we are charging for the bus but we are letting people park on prime land in our town for nothing leaving a tonne and a half of metal down there all day every day to get to work you cannot blame people for choosing the car. So, we need to make the buses more attractive and putting up bus fares does not do that.

405 The final point I will make is that most people will want to carry on using their cars and that is fine, that is absolutely their right but for every person who gets on the bus instead of taking their car there are more parking spaces left for those who take their car, there is less congestion on the road for those who take their car so there are very good reasons to support a subsidised but service.

Thank you.

410 **The Bailiff:** Deputy Gabriel.

Deputy Gabriel: Thank you, sir.

415 I am going to build on what Deputy Gollop said with his very good speech and the reason why we are here effectively. After the Funding and Investment Plan do not forget that our bus replacement programme is now unfunded so we have effectively at E&I we are wearing more costs because we are leasing vehicles. Some might say that is the way to go but for me it is certainly a short term, high pain.

420 The bus replacement programme is there are eight vehicles which are due to be replaced those vehicles are not even on the road they are unserviceable. So we are leasing vehicles in at high cost to replace them and we are dropping services, of course, as Deputy Gollop picked up because we are only leasing four instead of the eight that we have got in there place.

425 E&I has also got extra costs due to the education revision of finishing times at schools and again E&I had to pick up the baton there and provide extra services and a complete re-jig of services and our officers worked exceptionally hard to re-jig that and especially when other operators are struggling to provide services because of the global shortage of bus drivers. So that was an unfunded extra that we had to find and I was really surprised as Deputy Soulsby picked up, that a P&R Member trying to lay a 24(6) motion that this goes further in the budget that they do not actually need the extra £90,000 which is in the explanatory note.

430 Responding to Deputy Vermeulen's point as well about efficiency of EV's, yes they are exceptionally efficient and this does not address them because we want to incentivise their use, of course and as to their efficiency I struggle to see how the miles per gallon of electricity in his EV works. When I was at school electricity was measured in kilowatt hours rather than gallons.

435 Again, Deputy Burford makes a very valid point which Deputy Mahoney picked up on to start with about subsidies. We are subsidising car drivers by providing free parking all day every day. North Beach glistens with metal rather than something else so huge amounts of land. She also makes a valid point which reminds me when we were at E&I and went to consultation and asked for representations when we were thinking about charging, withdrawing the free transport for OAP bus pass holders before 9.30 am in the morning. The amount of representations we got from the general public and also from Age Concern which Deputy Queripel helped, I believe there were about 440 150 representations from members of Age Concern.

445 So there are a huge amount of people out there that do rely on the bus service and if we withdraw that subsidy we would effectively be cutting them off and we certainly cannot afford to do that because the bus service is a public service, the public is you, me, everyone not just those who choose to do it or because they do not have a vehicle or do not choose to use a vehicle. So I would encourage Members to support this amendment please.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

450 Yesterday we debated several amendments and we agonised over them because although actually many people actually wanted the aims in those amendments they said it was going to reduce the amount of money coming into the public office and we could not possibly contemplate that in the current circumstances.

455 Here we have an amendment that even after the transfer of additional funds to E&I would actually lead to general revenue being better off than if it was not put through. So, I do think we need to view it in that context. Also there is nothing in this amendment that smacks of hypothecation. I actually hate that word, well I do not I like it used, hypothecation is putting up something up as security against a loan well it was when I was bought up anyway, so I prefer ring-fencing but there is no ring-fencing here at all. The idea is to put extra money into general revenue
460 and on this occasion £250,000 will go to E&I.

Well when Committees bring budget amendments saying we need more money what is it that P&R always say to them, well great you want more money but if you are going to do that bring a proposal to see how you can have that without affecting the overall funding of general revenue by raising revenues elsewhere and that is exactly what E&I have done.

465 So I think they should be applauded for that.

Deputy Prow: Point of correction, sir.

The Bailiff: Point of correction, Deputy Prow.

470

Deputy Prow: I think Deputy Roffey is misleading the Assembly in what I was actually saying. Hypothecation is pledging tax and ring-fencing it and what the Proposition says is it talks about the rate of the first registration duty and to take up to £340,000 and to add the £250,000 to the 2024 budget. That to me, in the definition of hypothecation is pledging money specifically to a budget
475 and I was just raising the point in debate of that possibility and I distinctly said I was going to listen to the rest of the debate.

Thank you, sir.

The Bailiff: Well, Deputy Prow, that is not a valid point of correction as far as I am concerned,
480 Deputy Roffey is simply explaining what he understood. Please continue Deputy Roffey.

Deputy Roffey: Exactly so. I appreciate that Deputy Prow thinks it is hypothecation I am quite clear that it is not it is raising an extra £300,000 to go into general revenue and it is also making a bid for £250,000 to come out. It is not saying that the two have to be tied together. There has been
485 an awful lot talked about this morning about bus subsidies. I actually do not like the S word. We do not talk about subsidising health services we do not talk about subsidising our schools we talk about funding them.

It if was just a commercial operation and there for the purpose of being commercial and raising money absolutely I would regard it as a subsidy but I think that really whether you use the word
490 subsidy or funding will be the difference of whether you actually believe that the bus service is a crucial social provision or if you do not. I do and therefore I regard this as funding rather than a subsidy.

I think we do have to learn from experience. I remember the financial transformation plan and it had some very good measures that were bought forward. One of the ones that was disastrous was
495 when we went past the tipping point by cutting down the funding of the bus service at the time and putting up fares quite considerably and suddenly numbers fell off a cliff. It really, after years of growth, it was a classic rule of diminishing returns and if we are going to go that way again then I think we are going to regret it considerably. Maybe people will not because they do not really care about how many people use the buses, I do and if I did not before this morning this morning's
500 journey into the States meeting and taking 20 minutes to get through Queens Road on my

motorbike absolutely convinced me how important it is to try and offer proper effective alternatives to car use.

505 So I really regret that there has been a big inflation in bus driver wages and in fuel and in things like that but there has been. I think our choice is quite simple we either increase the funding or fares will go to a point where we really will see a replication of what we saw 10 or 12 years ago and I think we would all regret it. So I am very supportive of this amendment and I hope that it passes.

The Bailiff: Deputy Le Tocq.

510 **Deputy Le Tocq:** Thank you, sir.

I agree with the comments regarding the dangers of hypothecation that Deputy Prow said but like Deputy Roffey I do not believe this is the case here. That is because I think when we, as a Committee, looked at the situation with the buses and I think it has become evident that I have a slightly different view than the rest of my colleagues on P&R but I did agree that we could not afford in the situation as it was then to give more than we were giving towards the extra need at the time unless the Committee for Environment & Infrastructure could come forward with some resources from their own, budget from their own account.

515 Now we do that with every Committee and every Committee has to look at, if they are faced with that sort of situation looks at what they are spending looks at their income to see whether they can make some changes to that and so I actually accept that E&I have done that with this amendment.

520 Now Deputy Roffey stole a little bit of my thunder because my fear is and it is because I am long enough in the tooth to remember that when we allow bus fares to go over a certain level then the number of users of the bus service goes down and income goes down and therefore we end up either with having to support it more than we are currently doing or we end up with no bus service.

525 Now I accept and others may disagree, sir, but I accept that we will need to subsidise a bus service if we are going to have public transport at all in Guernsey that is just a fact. It is true also that we subsidise it far more than you would elsewhere but that is what happens in a small jurisdiction, we cannot afford the economies of scale that you will get elsewhere but I think we have a very good bus service and certainly at the moment the numbers are increasing.

530 It is therefore, maybe with a certain degree of reluctance but realising that costs have gone up and otherwise the service will be diminished, that I will support this amendment and I think and I would urge Members here not to be too short sighted to think that this is something not to support because in the end it will either mean huge issues for our bus service or it will cost us more in the long term to keep it going and we really do not want to end up in that situation again because, as I say, some of us in this Assembly have been there before and that is very expensive and disruptive to Island life. We need to do the best we possibly can and I think this goes some way towards answering that and so I will support it.

540 **The Bailiff:** Deputy Haskins.

Deputy Haskins: Thank you, sir.

545 Sir, in response to Deputy Le Tocq what I would ask is what is the level that people will not take the bus, is that the £1 fee that is in there now? I will give way because I have not seen that level of information in this amendment. I, sir, do not believe that that £1 does prevent, I do give way to Deputy Le Tocq.

550 **Deputy Le Tocq:** I thank Deputy Haskins for giving way. I am not going to be able to answer this but I do not know that. All I know is statistically in the past where the level has increased year on year because of the cuts in subsidies or lack of subsidies what has happened is the numbers have begun to decrease and then it is much harder to get the numbers back up and it costs us far more, that is the point I was making.

555 **Deputy Haskins:** I do appreciate Deputy Le Tocq's interjection there, what I would counter though is things like the increase in the taxi fare which was 7.8%, the increases in fuel duty so all of these, everywhere else is increasing but not in the buses, not in the same way. So I do appreciate that the Puffin Pass fee did go from 75p to £1 that is quite a large increase.

560 Sir, in response to Deputy Gollop and Deputy Gabriel, ESC do actually pay for their part of the buses and we did have to find extra budget for that due to extra costs. Now we did have conversations with the Committee, officers did, about re-jigging the system and how we can save money. So there has been a lot of collaboration but I think it is slightly misleading to say that, I am sorry I will not be giving way just yet, these are all the cost increased to E&I and therefore.

565 So, I am not aware and I am on ESC, I do not know how any new bus contract is going to affect ESC. So, what I would like to highlight is electric vehicles do not come without a high initial carbon cost. Much more than the carbon cost of the gas guzzlers that Deputy Vermeulen drives or leaves on his drive just running getting hot or indeed, Deputy Fairclough who I know has a favourite van of mine. I did just want to highlight that and it almost flies in the face of this carbon tax because there are other carbon impacts that are not then being taxed.

570 Now, sir, I would like to highlight to Members that this income really is due to an increase in the contract of the buses and in my opinion because E&I has not been timely in bringing the bus contract back to tender, that is my opinion. The Committee for Environment and Infrastructure should have already gone to tender for this contract. That could have perhaps decreased the contract price.

575 Another thing I am worried about is giving such a large chunk of revenue over the E&I as per the comments from Deputy Mahoney, I think in response to Deputy Soulsby, that is why P&R were worried about this amendment but especially when this contract is due to go out to tender, if there is a lower price this Assembly would still be giving E&I £250,000 in additional general revenue.

580 My final point, sir, is that Members do have to be careful because motoring taxes are needed for general revenue; paid parking, road tax whichever increases should not all go back to E&I it is needed for general revenue especially given that we did not agree the revenue package a couple of week ago and I would highlight we can only take this tax once giving a large percentage to E&I perhaps, sir, may focus their mind away from making savings but it also limits our ability to raise more income.

585 Thank you.

The Bailiff: Deputy Trott.

Deputy Trott: Thank you, sir.

590 I shall be brief but there are just a couple of things that seem to be somewhat baffling, in other words I am not following the logic. The first is somebody has mentioned recently that we have put bus fares up from 75p to £1, that is a 33% increase and the world does not appear to have come to an end in terms of bus usage. Well no doubt I will be told it has and that will go some way towards answering the question that Deputy Haskins posed to Deputy Le Tocq about where is the tipping point. But the thing I find most bizarre is the amendment says in the final sentence:

595 *passenger services to mitigate as far as possible the need to increase standard bus fares in real terms.???*

600 What is wrong with increasing things in real terms? The inflationary pressure in this Island is known to us all, it is one of the reasons why I will repeat as there seems to be some confusion. It says:

to the 2024 budget for the Committee for the Environment and Infrastructure for passenger services to mitigate as far as possible the need to increase standard bus fares in real terms.

I repeat the question, very happy to give way.

605 **Deputy de Sausmarez:** Thank you, I am a bit confused by Deputy Trott's question but hopefully I can clarify that what we do not want to do is to say that we cannot keep peg with inflation. So I do apologise if the syntax is not clear but the intent, just for the record and for the benefit of everyone, the intent is not to prevent real terms increases if inflation goes up. So I think Deputy Trott and I are on the same page with this.

610 **Deputy Trott:** I think we are and I am grateful to my friend Deputy de Sausmarez for referring to the syntax, the syntax is clearly wrong because it says to mitigate as far as possible the need to increase standard bus fares in real terms. So, I give way again.

615 **Deputy de Sausmarez:** Okay, I think it hinges, I am bit of a syntax nerd (*Laughter*) I think it hinges on the word increase, so obviously keep peg, I do not know what the right word for that is, we want to be able to keep in line in real terms. So we do not want to incur a real terms decrease because we think that would be a false economy but we do not want to have to increase over and above the rate of inflation. So I hope that clarifies the position.

620 **Deputy Trott:** It does and what it has confirmed to me is that the word 'in' should have been replaced with the word 'above' because if it read 'passenger services to mitigate as far as possible the need to increase standard bus fares above real terms in 2024' that would have been fine, but the word 'in' is clearly incorrect. But at least it has given my friend the opportunity to clarify that.

625 It seems to me that it really does rest on what happened when bus fares rose by the 33% I referred to earlier, very little I think is the answer. So if that was the case then clearly there is absolutely no need to worry about an increase that will be at or close to real terms. So on that basis, sir, as things currently stand I intend to vote against this amendment.

630 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, sir.

635 I just want to, very, very quickly, pick up on what I think is a false narrative. It is about this use of public land as free car parking. I mean why pick on town, why not Cobo where people park for leisure, etc. that is all public land and I think Deputy Burford said it is for nothing. Well it is not for nothing in my view it supports the retail industry, (**A Member:** Hear, hear.) it supports the shoppers (*Interjection*) and most of all it supports the heart of town and the finance industry and the workers in that industry (**A Member:** Hear, hear.) need to park somewhere.

640 Not everybody is going to be management material with a garage underneath the office. So please, for nothing, really, it pays our wages and for a large part it pays for the Island's wages. So, it is not for nothing it is done on purpose, there is a reason for it and some of the very people who are on modest incomes cannot afford or are not in a position to be in the management team and they need to park on a [10:31:54](#) and pick up granny and do the shopping and those sorts of things. So that is why we have that particular lifestyle here.

645 I just want to pick up on what Deputy Gabriel said he was almost saying in a bad way that the car park is glistening on the white rock. Well long may it glisten because if it is not glistening it means that either the finance industry has gone away and we have not got the workers there or we have got another attack of COVID.

650 **The Bailiff:** Deputy Taylor.

Deputy Taylor: Thank you, sir.

I am massively supportive of this amendment so my hat it dipped to Deputy de Sausmarez for bringing it and I thank her for that and Deputy Gabriel. So I really rise, sir, to try and give some

655 context to the numbers on this page mainly in response to the comments made by my good friend Deputy Vermeulen and his concerns about the kind of vehicles that this might be hitting.

So just to draw Members attention to the explanatory note third paragraph which refers to Guernsey's current highest emission bandings for diesel vehicles being above 130 grams per kilometre. So the context you give there is the kind of vehicle you are looking at there is a 1.5 litre, and I have had to trawl around, it was actually quite hard to find vehicles and match them up to these categories, but a Ford C Max that is a Ford Focus based car it is a seven seater and they are 1.5 TDCI sits in that category 4 it is about 125 grams per KM.

That is currently the poll topper, go above that and you are exceeding the current band and that to me is not a particularly big car. So I think there is absolutely merit in increasing and adding in these extra higher bands because to go up to band 8 so a vehicle over 231 grams per kilometre you into a vehicle like the current Porsche 911 Carrera 4S so it is quite a different Proposition. So the most expensive Ford B Max I could find with a 1.5 TDCI which they finished making in 2019 was £17,000 the 911 C4S you are looking at £126,000. So to add £2,500 on that is about a 2% increase.

So to allay Deputy Vermeulen's concerns that this would then force people out of their cars or have an impact in the motor industry I do not see it. I think if you have got the money to, I do not think splurge is parliamentary, but if you have got the money to splash out on a £125,000 car I do not think another £2,500 is going to put you on the buses (*Laughter*) and Deputy Trott agrees with me, so there, from the horse's mouth (*Laughter*) trot pun intended.

My only concern here, sir, and I appreciate that this would be really going further than these figures is the point that Deputy Haskins did make, it is about the cost of electric vehicles, yes they may be less polluting in reference to this table but the best example I could get of that was that the Range Rover P400 which is a vehicle that is restricted to 25 miles per hour on the Island because of its substantial weight, it is a huge mass to move around the Island but from my understanding it fits into category one so it is the lowest category of first registration charge.

I appreciate that this amendment could not really go that far and I do not need to give way to Deputy de Sausmarez but I just want to put on record my concern that there are some substantial vehicles that are way out of the reach of your average person. So I see a family, I mean I have got a Ford B Max, could not even get to the C Max, but a Ford C Max is a pretty average car for a family with two children a reasonable boot to put their bikes in the back and they would be looking at a £900 registration fee but if you can spent £100,000 on a Range Rover you are only looking at £55.

685 So that seems a little bit warped but I do understand that there are work streams in play which will address that and I hope they come along soon. Otherwise I would urge Members to support this, it will raise revenue and that is what we are all in agreement we need to do. So I hope Members will support this amendment and then we can more onto the next project.

690 **The Bailiff:** Deputy Matthews.

Deputy Matthews: Thank you, sir.

695 Sir, I was not going to speak but a couple of things came up that I thought I might add something to. This amendment is to capture some more revenue from first registration duty going by the carbon dioxide emissions duty and in order to subsidise buses. Quite a few of the speakers have talked about the carbon footprint and whether or not electric vehicles are really any better for the carbon footprint. I have often heard also mentioned, not in this debate, but people quite often say well why do we need to be concerned about our carbon footprint in Guernsey we are such a small place, we do not have any impact on the rest of the world.

700 That is a view that some people have, obviously I do not share but along with carbon dioxide emissions there are often a lot of other emissions that come out of the tail pipe of cars. You quite often get nitrous oxide, carbon monoxide and particulates from diesel. Now I know this because I live by a main road and every few months or so you have to go and wipe the window sills because there is black soot that accumulates from all the cars that drive past. So I would be very, very happy 705 to see lower emissions

Deputy Vermeulen I see is saying buses are diesel and of course we would like to be able to replace our buses with electric buses (*Interjection*) but we have not got the funding to be able to do so and buses even the diesel buses that are there, there are very much fewer of them for the number of journeys that are made compared to the number of petrol and diesel cars that are going backwards and forwards in front of my house every minute of every day.

So even if you are not a, as Deputy Gollop is, regular bus user you benefit from the lower emissions because particulates and all of the other things that come out of the tail pipe of a car can be quite damaging to your health and just unpleasant to be around and so it is a very good thing if we can discourage people from, as Deputy Taylor said it is not really going to do a lot of discouragement, but it is a good thing to try and move those emissions down and subsidise public transport even if you are not a regular bus user.

Thank you.

The Bailiff: Deputy Le Tissier.

Deputy Le Tissier: Thank you, sir.

When I read this I thought oh it is another attack on the motorist and when will ESS stop this. Now, some people (*Interjection and laughter*) and I emphasise some, believe ESS to be anti car. Now I do not know if that is true or not.

The Bailiff: I doubt it is ESS, Deputy Le Tissier. (*Laughter*)

Deputy Le Tissier: Sorry, typo, E&I sorry. This amendment will reinforce the views of those who do believe that. Social engineering, I am not in favour of that. Now on this occasion I totally agree with Deputy Mahoney, I am sorry he is not here to hear this and I know it is a bit of a surprise but I take issues on a one by one basis.

Now, as Deputy Vermeulen said what affect with this have on our garages, some of them are very successful. So what consultation has been carried out before bringing this? Now, E&I could have used this amendment to correct the anomaly of electric vehicles who currently are exempt. It is not fair, and I am a great believer in fairness, to the vast majority of drivers who drive petrol and diesel.

Deputy Gabriel: Point of correction, sir.

The Bailiff: Point of correction, Deputy Gabriel.

Deputy Gabriel: Electric vehicles are not exempt from first registration duty, the table that is in the amendment and also that is published at the moment is a £55 charge in band one for zero to 1000 cc, zero is EV.

The Bailiff: Yes, Deputy Le Tissier, that is correct. Continue please.

Deputy Le Tissier: Thank you, sir.

Electric vehicles are not pollution free they do have particulates and one in particular coming off their tyres. That is ignoring all the pollution caused during their manufacture and the mining of the rare earth minerals used in their batteries. Which, incidentally, they do not last as long as petrol and diesel engines and they use our roads. Heavier vehicles, don't they cause additional wear and tear?

Now on the other part of the amendment the bus fares they are lower than in most places. Okay let us put the fares up they do not have to go up very much, as Deputy Trott said they went up 33% and it did not have any effect. They could go up another 30% and probably have minimal effect.

Now we already subsidise the buses, yes, and I would say to Deputy Roffey who is not here it is a subsidy because it is a private company running the service. It would be funding if the States ran

760 the bus service but we do not. We buy their buses and at least £4 million per annum it is costing us. Now in this cash strapped time I think that is over generous. (**A Member:** Hear, hear.) So it is okay to tax property owners to the hilt (*Interjection*) but bus users are exempt even from a modest increase.

Hypothecation, I think amendments dealing with hypothecation on the fly is not good governance. It should have been bought by P&R in their budget after discussion with the relevant pros and cons. In closing, because I do not want to go too long, I think Deputy Haskins is absolutely right on all the points he made and I agree with him. So I would urge you to vote against this amendment.

Thank you, sir.

The Bailiff: Deputy Dyke.

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Deputy Dyke: Thank you, sir.

I started off looking at this amendment in a fairly benign state of mind but I have firmed up a bit since we have been discussing it. As an aside, just looking at this table, I think as a long term project we need to totally change it. I am very sceptical about governments encouraging this and encouraging that for eco or other purposes.

775 Deputies may remember the totally brilliant Chancellor Gordon Brown who during his term of office decided that for eco reason everyone should have a diesel car instead of a petrol car (*Interjection*) so there were huge subsidies on diesel cars. A few years later no diesel is out, petrol is in, now it is petrol is out, diesel is out, electric is in and these electric cars are not so clean. They may use electricity when they are running along but they use a lot of chemicals, the batteries are filthy things, you have got to get rid of them.

780 So, in terms of encouraging this, that and the other I do not think we should be doing it. The whole table should be changed and should be based on the cost of the car and possibly the width because the width is quite annoying when you have to go past very wide cars in narrow lanes. (*Interjection*) But that is an aside that is for the future. I really I think we should do that. (*Laughter*)

785 In terms of this particular debate I was initially thinking it is okay to vote for this but I think not. In terms of budgeting the Committees have agreed budgets with P&R ahead of all this. On planning we had agreed a budget we did our 2.5% off and we have done all that and Deputy Mahoney explained that P&R are already subsidising the bus service through the E&I budget to the tune of £4 million with possible increases of £200,000 and £300,000.

790 So if that has all been agreed as part of the budgeting process it strikes me it is a bit of a cunning stunt to come back to the Assembly, ask for more money for something that has supposedly been agreed with P&R and then say oh well here is a way of getting some more to make up for it and in a way hypothecating it. Why not come back and say well I know what we can do we can put up Income Tax by 1% and that will cover it. So I do not think this is a proper Proposition to be honest. So, for that reason I am going to vote against it.

Thank you.

The Bailiff: Deputy St Pier.

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Deputy St Pier: Just to respond briefly to Deputy Dyke and reiterate the point that actually this is the way budget amendments always used to work in the good old days that if a Committee needed to spend more, and it may not have been able to agree a settlement with Treasury & Resources or Policy & Resources and therefore it would feel obliged in discharging its mandate to bring an amendment but the responsible response to the Assembly always was well if you want to increase the spending in your Committee tell us where you are going to get the money from. Are you going to get it from Income Tax are you going to get it from putting duties on customs and excise.

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810 As it happens E&I are doing this within their mandate, as Deputy Mahoney has said they have the power to do this on the one side they do not have the power to increase their general revenue budget that is a decision for this Assembly but they do have the power to increase the revenue side. They could just have as easily have said well we want an extra £250,000 for our budget and we are going to recommend an extra 1p on a pint of beer for example. Whether you agree with the decision or not it is a responsible way in which an amendment is being brought to the Assembly for the
815 Assembly to make a decision whether it wishes to increase the budget of that Committee.

However, the main reason that I rose, sir, was really to make the observation because I think it will be relevant later during this meeting around the shock and horror there has been by many Members about the idea of increasing transport taxes of various descriptions. (*Laughter*) I mean this is a pretty modest measure which is causing great consternation it is to remind Members that 35
820 Members of this Assembly, only two weeks ago, voted on Proposition 1 of the Funding Investment Plan in relation to the core measures set out in Appendix 1 (**A Member:** Hear, hear.) which are actually more detailed in Appendix 2 as a modelling assumption, to increase transport taxes (*Interjection*) by £10 million (**Several Members:** Hear, hear.) and to be very clear the modelling assumption is expansion of taxes on transport, investigations including annual motor tax,
825 replacement of fuel duty with distance charging and, Deputy Brouard, (*Laughter*) paid parking. (**A Member:** Hear, hear.)

So if the Assembly is feeling indigestion at this point (*Interjection*) I do have very real concerns about how they are going to feel when the detailed Propositions come back from Policy & Resources in relation to discharging those core measures. I should say there were four Members
830 who opposed that; Deputy Le Tissier, Deputy de Lisle, myself and Deputy Soulsby. So, I am not as queasy actually as it happens despite having opposed the core measure to the is particular measure but it is to remind Members that they have made that commitment in relation to £10 million of transportation related taxes and it is relevant. I will give way to Deputy Trott, sir.

835 **Deputy Trott:** I am very grateful for my friend giving way, sir, because surely it works both ways. People who voted for the increase in costs associated with transport will also have legitimately expected bus fares to rise in line with inflation.

Several Members: Hear, hear.

840 **Deputy St Pier:** Yes, in line with inflation as Deputy Trott says. So, sir, I think it is really to make that point and it will reoccur later in this meeting.
Thank you, sir.

845 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Sir, I came into this debate expecting it to take a lot less than an hour and 25 minutes but I also came into it expecting to perhaps vote for it. I am not now going to vote for it and I will tell you why. I fully accept the point well made just now by Deputy St Pier and I think
850 the £10 million might end up being a fair bit more than £10 million once the discussions have taken place and two of the people who have been involved in those discussions taking place are myself and Deputy de Sausmarez.

This amendment, I think, had its birth when she and I had a discussion when we were talking about it and I think both of us were of the view that perhaps the £10 million is too light in relation
855 to transport industry but she will speak for herself, certainly it is my view. She said well I have got this issue it could raise £240,000, I thought great good idea get some money back and I just thought there was no magic to this. We talk about a syntax I was thinking it was spelt sin tax but for a very different purpose (*Laughter*) but we are not talking about that because I do not understand all these big words that people use. I thought £170,000 which is a figure we were talking about, but there is
860 no magic in that it is half £340,000, might be a way back because they need the extra revenue etc.

865 What I am disappointed about is that has now grown to £250,000. It might be a mere £80,000 but that is a lot of money. So there is always an excuse to put more money in and I think the two speeches of the day, so far if I may respectfully say so, are those of Deputy Haskins and Deputy Trott in relation to this particular topic. Deputy Meerveld said good idea if they can come up with ideas to increase tax and I welcome that, etc., etc. Perhaps he can tell us in due course, I do not mean now I am not going to accept an interruption from him, how SACs is going to increase tax but we might hear from that. I cannot see how Health can ever come up with a proposal to increase tax or Education. What are we going to suddenly charge kids ???10:52:12 favourite primary school.

870 We need a good bus service. I remember the days, I was not in the States, but I remember the days I think back in the early 90's when Deputy Bran or he might have been Conseiller Bran I cannot remember which at the time, had to get on a plane and go and see the then owner of the bus company in London because we had a bus company that was privately run that was just about the collapse and I think that was in the middle of a States debate. We do not want that. We have got a good bus service and it is important that we have a good bus service and it is important it is subsidised. It is subsidised because £4 million a year or whatever the figure is is put into it. (Interjection) I use the word subsidy if Deputy Roffey uses bigger words than me because it has got more letters in it use the word funded but it is exactly the same thing. It is public money that goes into it and it should go into it. I fully accept it should go into it and I fully accept that we should have a good bus service and we have a good bus service.

880 Through all the problems that Deputy Gabriel talked about, lots of buses have got to be funded now because they are at the end of their life and they have got to be replaced whether it is a petrol one, a diesel one or an electric one they have got to be replaced. I do not want to turn this into a great big debate about whether electric cars use more and should be paying greater tax or whatever they are. What I am disappointed about is that we are in a position whereby if we start saying that we hypothecate, we put aside or whatever we do, I do not know what the right word is another big word with lots of syllables, in relation to where we are and we take the money for a particular purpose I think that could be dangerous.

890 I would like to hear Deputy de Sausmarez just so I understand and to conclude the exchange between her and Deputy Trott when she sums up to say that she is going to give a commitment that bus fares will go up by at least inflation every year. I think that is what she said but I would like that clarified beyond doubt when she stands up and speaks, by at least inflation for ever year.

895 I do not think it will turn people round, I am like Deputy Trott I do not know the exact figures but I will be surprised if by putting them up from 75p to £1 or whatever the exact figure is, they have gone down by anything but there will come a tipping limit, the law of diminishing returns, whatever phrase you use in connection with that and I do not want to see that happen. I want to see more people get on the bus. Deputy Roffey could have rode his push bike rather than his motor bike today and he might have got here a bit quicker. No I am not giving way because I do not want him to get up and down to much at his now pensionable age. (Laughter) So, what I would say in relation to all of this is that I am disappointed having talked to somebody who said £170,000 it is suddenly £250,000. (Interjection) Whether it should have tipped the balance or not for me it has and I am not going to vote in favour of this amendment.

The Bailiff: Deputy Queripel.

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

Sir, once again there is a certain amount of contradiction going on in the Assembly in the speeches of some Members. (Laughter) Those who are speaking against the amendment are concerned about the amount of money that is being spent on subsidising the buses. Yet over the years they have been more than willing to subsidise Aurigny.

910 Almost £100 million of taxpayers' money has been sent on subsidising Aurigny in the last few years yet Members who have spoken against this amendment have never once expressed any

concerns about that and I cannot praise the CEO, or the new CEO, of Aurigny for doing his utmost to turn what was once a complete disaster into a success story. (**A Member:** Hear, hear.)

915 But Islander's who cannot even afford to travel on Aurigny have had their taxes spent on subsidising the airline over many years and many of them have quite rightly objected to that and I am one of only a handful of Deputies who have objected to that over the years. Now everyone knows that I have recently said in the media I thought the fare to use a bus should be increased by more than what E&I were recommending at that time. I know certainly we should not be charging pensioners to use the bus before 9.30am.

920 Thankfully they listened to all the people who submitted their objections to the idea of charging pensioners to use the bus before 9.30am and they did not pursue the idea and I commend them for that. I was contacted by several bus users after saying what I said that I thought the fares should be increased a lot more than E&I were recommending at that time and every single one of the bus users who contacted me told me that buses were a lifeline for them and they needed the fares to be as cheap as possible and I get that but, like Deputy Vermeulen, we should not have an open cheque book in place to subsidise the buses. But on balance, on this occasion, I see the value in supporting this amendment.

Thank you, sir.

930 **The Bailiff:** As no one else is rising I will turn to the Vice-President to address Amendment 11 please, Deputy Helyar.

Deputy Helyar: Thank you, sir.

935 I shall be super brief again. The basis of the Committees objection and clearly Deputy Le Tocq has indicated he is going to vote in favour so it is by majority, is the issue of hypothecation which was so aptly identified by Deputy Dyke. This is not E&I's operating income it is general revenue taxation income and if it goes up it should all go towards reducing the deficit.

940 We have been through the process of budgeting and we have agreed a substantial increase including a provisional amount which would cover the amount by which the contract might need to rise during negotiations and it may not, which would be a benefit if that is the case. I have to say I read the amendment in the same sense that Deputy Trott did which was that this looks like an attempt to protect the bus user from increases in inflation. If that is not the case then that is a bonus and I am sure Deputy de Sausmarez will refer to that.

945 One of the other principles and it was mentioned that I had raised some principles at the beginning of debate, is that if we cannot raise more tax through general revenue then the public is going to have to start paying more for the services we provide because we cannot make the two match and this is one of those areas.

950 Now I do not know what the tipping point is and I do not see it as P&R's responsibility to investigate or inform on that but I do think we should understand a bit better what the inflection point is on pricing because if it is possible to raise prices by the amount which Deputy Trott mentioned then there may be some more capacity for that changing.

955 Now one of the things and it was one of the first things I wrote down at the top of the debate and it has been quite a long one surprisingly and it started off fairly grumpy, thankfully it seems to have improved a little bit, but I wrote motorists and this is the point that Deputy St Pier made. There is a huge amount of motoring taxation coming down the line at members of the public and one of the things that concerned me about this, particularly because the amendment was submitted so late, is that there is going to be an impact in terms of reaction from the motor trade and motorists in respect of this and that some of the other things that we are going to have to do, because as Deputy St Pier has rightly said 35 Members voted to support it, there is going to be a head of steam rising before we even get there and I think that is regrettable.

960 Members, I do not think this is an appropriate thing to do but it is a win-win if not because there will be £90,000 extra for general revenue if it does pass. I shall not be supporting it and I would urge Members to do the same.

Thank you.

965

The Bailiff: Finally I invite the Proposer of Amendment 11, Deputy de Sausmarez, to reply to the debate.

Deputy de Sausmarez: Thank you, sir.

970

I am going to have to try to go through chronologically because I am worried I am going to miss questions so I do apologise if that takes a bit longer. Ideally I would have liked to group it into themes and I will do that as much as I can when I go through but I do want to make sure that I do not miss any particular points that were raised.

975

So, Deputy Prow raised his concerns about hypothecation and I think that has been dealt with very ably by Deputy Roffey among others. This is not hypothecation to talk to one of Deputy Mahoney's points, Deputy Mahoney was quite right to say that we do have the ability to increase these fares but what we do not do is we cannot just give ourselves more in terms of our cash limit in order to mitigate bus fares. So that is why the two are put together, it is just simply us being responsible as Deputy St Pier said, this is absolutely standard as I am sure Deputy Prow will remember as well.

980

So, it is certainly not hypothecation. What would be hypothecation is if we suggested introducing these higher bands and saying all that revenue should come to E&I. That is just not the case. The money, for clarity, because Deputy Prow is looking a little bit confused, the money from first registration duty goes straight into general revenue, it does not come to E&I. So maybe that is where Deputy Prow's confusion has arisen and if so I do apologise. But first registration duty does not come to E&I, it does not influence our budget, it does not bolster our coffers, it goes to general revenue. So, anything that is paid in first registration duty goes to general revenue.

985

Now, what we are proposing is that some, not all, of the anticipated increase in general revenue is then transferred to E&I's cash limit in order to mitigate the need for us to put up bus fares. So I am very, very sorry if I had not made that clear either in the explanatory note or in my opening but that is the effect. So all first registration duty income goes into general revenue but we could do that but that would not help us to mitigate bus fares unless we also get £250,000 from general revenue which, as others have pointed out, would still leave the Treasury an anticipated £90,000 better off because we are not asking for the full anticipated increase to be transferred to E&I. Yes, I am hoping, I am looking at Deputy Prow and hoping that that is all making more sense now.

990

Deputy Mahoney's speech, I have already addressed one of Deputy Mahoney's points. He was quite right to say that we could introduce these bands and indeed that is something that we do consider on a regular basis but he is absolutely mistaken and incorrect to advise the Assembly that the Committee got what we were asking for in terms of the buses. Now, I could go into a very.

995

Deputy Mahoney: Point of correction please, sir.

1000

The Bailiff: Point of correction, Deputy Mahoney.

1005

Deputy Mahoney: I did not say they got all they wanted I clearly stated that they asked for £600,000 and were given £300,000 with a commitment for another £200,000. Those were my words, that is what I said, so she is incorrect in that comment.

The Bailiff: Deputy de Sausmarez.

1010

Deputy de Sausmarez: Yes and during the course of debate I have confirmed with officers and I can correct Deputy Mahoney I am in fact correct and I am afraid he is not. That has been confirmed by officers, by the budget holders so I am sorry that Deputy Mahoney is mistaken but he is not correct in saying that.

1015 We anticipate a shortfall of £241,000 in terms of our bus budget, passenger transport budget specifically, which is why we are requesting £250,000 because obviously one of the variables is bus income, we do not know exactly how that is so this is a little bit of uncertainty so we have given ourselves a £9,000 buffer which I think it quite modest in the grand scheme of things. But there is anticipated for next year, 2024, to be an overspend if you want to put it that way in terms of our
1020 bus budget of £241,000 bearing in mind what we have been given in our cash limit and what we are able to do and any anticipated income from bus fares.

So that is the overspend that we are trying to mitigate without covering that overspend we will be in a position where we are forced to consider, and I think our hands will be fairly tied, increasing bus fares. We will also, I am sorry to say, have to look at things like the measures that Deputy Queripel mentioned, we are going to have to look at the concessions that we provide pensioners if these cost pressures continue, perhaps children.
1025

We are under very, very significant cost pressure. The cost pressures have been so far above inflation and to speak to one of Deputy Trott's points, that is why our fare increases have been so far above inflation in the last couple of years, wildly, and in fact since 2014 the increase on a standard bus fare has been 500% (*Interjection*) in less than a decade!
1030

So, nobody can accuse us of not increasing bus fares, we have done so, but we are very mindful that there are inflection points and going straight to a point that was raised most recently by Deputy Helyar and by various others including Deputy Haskins, where is that line? At what point will our income start dropping, at what point will bus passengers not be able to afford it? Well, there is only one way to find out and that is the hard way. The only way we will find out exactly where that inflection point is when it is too late and we have been therefore before, as Deputy Roffey described, we have fallen off this particular cliff and we know that we have to tread very, very carefully because once you have fallen off it is a very long and arduous climb back up.
1035

So I really would advise Members to treat this with caution. Please do not be flippant about the prospect of an inflection point where just that straw that will break the camel's back, please let us not be flippant. I know that not many Members of this Assembly are dependent on the bus service in the way that many members of our community are and to pick up on one of Deputy Burford's points, she is right, she did the sums back in 2014 and I think the figure there was somewhere in the region of about 8,000 adults who did not have a driving licence and I checked that a few years ago and it had gone up. So we have got a lot of people, working people, hard working people in this community who are properly dependent on that bus service as a life line, as a life line as Deputy Queripel said.
1040

I think it is easy for us to sit here on this pedestal in this lovely luxurious Assembly by comparison to many people's working environments. I know there is a bit of a breeze coming in behind us and all the rest of it, but we have it pretty easy most of us. By definition everyone here is on an above average salary and I think we just need to remember to put ourselves in the shoes of people who are not, people for whom this service is vitally important.
1045

I give way to Deputy Bury.

1055 **Deputy Bury:** I am sorry to interrupt, there was a point I thought about making but while we are on it I will. Thank you very much for giving way. I was going to ask Members if anybody here in this Assembly has never been able to afford their bus fare home (*Interjection*) I have, not very long before working in this chamber with you all I had a decent job, a job that externally would have looked quite good but as a single parent paying for childcare living in a one bedroom flat and sleeping on a sofa bed wrecking my back for the rest of my life.
1060

I used the bus to get to my job that looked like quite a good job and ironically on the day that I could not afford my bus fare home the night before I had been at an event at the Savoy because that was what my job was like but it did not pay the bills. Luckily for me I worked on a very big site with hundreds of people and was able to get a lift home but that is the reality of a lot of people using our bus service and we need to remember that.
1065

Deputy de Sausmarez: I thank Deputy Bury for that very salient interjection. I do think we need to be able to put ourselves in the shoes of so many members of our community at what is a very, very difficult time. We have squeezed the lemon that is our budget till the pips have squeaked. We have squeezed every ounce of savings out of it and in fact we have achieved very significant savings compared to last year, we have actually had to slice services, we have had to make some incredibly unpalatable decisions, it has been so hard.

The problem is, and again I do not want to get into the numbers because they will not mean anything unless people can follow them on a page, the base line for our budget this year was wrong because actually there was a far overly optimistic estimate of bus income for this year to the tune of £300,000 and that is one of the reasons why Deputy Mahoney's figures are not adding up.

Basically we have made so many difficult choices. We have already had to push fares up, we are really worried about the real term impact of real people of pushing them up any further in a hurry above inflation and for the avoidance of doubt for the benefit of Deputy Ferbrache and Deputy Trott and anyone else who is worried, we do think it is reasonable that we keep peg in step in as pragmatic a way as we can with inflation because otherwise, obviously, that is a real terms income decrease and we do not want to see that.

The only caveat that I would put to that is I do not think we want to be silly in terms of 2p here and 2p there I do think we need to be realistic and make it round numbers absolutely. We as a Committee have shown our metal and shown that we are not afraid to put up bus fares when we feel as though we have got no other choice but we do feel as though we have to be very responsible about doing that. That responsibility weighs very heavily on our shoulders and I hope that it is a responsibility that other Members of this Assembly share.

Just to a wider point, talking about the bus service being a vital public service and speaking to this issue of subsidising, I totally agree with Deputy Roffey we do not talk about subsidising our health service and yet we have got, Deputy Le Tissier said well this is different we have got a private business making money out of this, we have got the MSG in terms of our health service but we still talk about funding our health service because nobody could consider not having an adequate health service, it is so important, it is a fundamental need.

Transport is exactly that, it is an enabler it connects people with work. It enables people, as Deputy Bury has just said it enables people to get to work to earn the money to feed their children. It also connects them with education and training opportunities and important social contact, which is so important especially for older people. We know that we have got a problem with isolation and loneliness and our bus service, as we found out during our latest consultation process I can tell everyone, we found out just how important that service is especially to older members of our community and especially to those on lower incomes and we know actually if we want to make this a little bit drier we know from the data that a bus service like ours, for every £1 invested in it it actually delivers £5 of wider economic benefits. So, it is a public service that is morally and socially worth investing in but it makes economic sense as well.

Deputy Vermeulen asked about the motor industry and what consultation has taken place with them. Well actually the feedback that we have always had from the motor industry is that the first registration duty does not touch the sides. They actually go ahead and pay it especially on the higher end vehicles. I am not giving way, that is the consultation feedback that we have had over the years from the motor industry and looking at the data in terms of the number of high emissions vehicles being registered at the moment they are doing okay.

But our modelling has actually incorporated a decrease to account for any reduction. So the £340,000 estimate of income is actually pretty pragmatic and we think certainly very reasonable some might describe it as conservative because it does actually factor in a decrease as well. So it could actually be more than £340,000. I think he said something along the lines of be a bit more Guernsey, think of the people who are really struggling. Those are exactly the people that we are thinking off and I can assure Members that they are not the ones buying Land Rover Discoveries.

Deputy Soulsby joined Deputy Gollop and others about reminding Members about why we have a public transport service at all. Deputy Roffey and Deputy Le Tocq also explained more about why

1120 this is not hypothecation. Deputy Haskins, well I have touched on this already, how will we know
what that inflection point is when people will stop, I am not going to give way, when people stop
using the bus. As I said before we will know after we have hit it but we have a pretty good idea that
we are getting close because we have had to raise fares in quick succession over the last couple of
years by some pretty big steps and we know because we go out to consultation every time we do
that. We know just how much the pips are squeaking for members of our community who are reliant
1125 on that service. So, Members, please do not make us find out the hard way.

In terms of the bus contract, well Deputy Haskins was actually still in E&I when E&I made the
principle decision about the bus contract and he will know that Procurement have actually been the
ones in the driving seat ever since then and they are a team that are answerable to P&R and they
have been doing an excellent job, an excellent job in ensuring that we are getting the best possible
1130 value for money. So I hope Members can be reassured on that point as well. No stone has been left
unturned and I think they have done a magnificently detailed job on that.

I think I have dealt with Deputy Trott's points so I hope I can persuade him to support this
amendment. I think he will be fine as long as he does not try and replace like for like, some of the
larger vehicles in his own personal fleet. *(Laughter)* Deputy Brouard actually forgot to say that he
1135 was supportive so I thought I would just mention that for him.

Another one of the themes that has come up which Deputy Taylor touched on because it had
been raised by others is this issue of EVs. Now, I have spoken about this before, I am the first to
point out that EVs are not emissions free. They do not have any exhaust pipe emissions, that is true,
they do have embodied carbon and as I have circulated previously to all States' Members, I
1140 appreciate that does not help people outside of this Assembly, when you actually look at the
lifecycle analysis they are still, even when you take into account the embodied carbon that goes
into their manufacture, production, transport, etc. they are still very significantly less polluting than
their internal combustion engine equivalents.

However, we do not think that entitles EVs to get off scot free. We were the Committee that this
time last year in the budget debate we actually proposed, counter to the original P&R suggestion
actually, that EVs and other low emissions vehicles did pay a modest charge and I can reassure
Members that this is one of the issues, that broader issue, that is very much being picked up by the
bit of work that we are directed to do with P&R and it has been E&I Members who have been
1145 thumping the table on this issue actually and saying we do think that we need to recognise the
impacts of this.

So please, Members, be assured it is not for this amendment because that would be going so
far beyond, there is a wider bit of work and we are very keen that we do pick up things like the
infrastructure wear and tear, some of the particulate matter coming of brakes and tyres and things
like that. We are very conscious of those things and it is being taken into account in that wider bit
1155 of work. Certainly it will be if E&I have got anything to do with it.

That brings me on I suppose to why it was not in the budget in the first place. We did try and I
am sure Deputy Ferbrache will confirm that we made great efforts to do that, and he is nodding,
and actually we did not manage to get it into the budget even though we approached P&R before
the budget was published, we could not make it work in terms of the time lines so we could not get
1160 it in as a budget measure so we did have to bring it as an amendment.

Deputy Ferbrache was really supportive and actually I hope he does not mind me saying this,
originally offered to second this in fact and he suggested that we talk about it in a P&R meeting
and unfortunately although he was at that meeting he was beaming in from somewhere else. But it
was made very clear to us at that meeting where Deputy Ferbrache had suggested that we talk this
1165 amendment through with P&R that there was not going to be enough time to do that. I was
surprised there was not even enough time to plug my laptop in.

So I am afraid we did not get that opportunity and I am very sorry that it was Deputy Ferbrache's
idea actually to go halves, if you like, in the colloquial sense on the estimated additional income
and have a transfer of £170,000 to E&I's cash limit and Treasury retain the £170,000 for general
1170 revenue. The reason that we had to adjust that number is because of the officers advising that our

budget overspend was looking like £241,000 and that is why we had to adjust the number accordingly. But I will stress that that still leaves an estimated £90,000 for Treasury to be better off. So that is what Members can support should they choose to support this amendment today, which I very much hope they will.

1175 I think I have addressed all of the points. I was very tickled by Deputy Dyke's suggestion that we might consider a width tax but not as ticked as Deputy Burford was. *(Laughter)* I cannot think why no one has thought of that before. It has been a longer debate that I was hoping for, it has gone off down a few rabbit holes but I think when we bring it back to basics the principle that Deputy Helyar started this debate with and actually just mentioned in response to this amendment is that I
1180 may remind Members that this does raise more tax for general revenue, it does!

So, even if Members have no interest in the transport aspects of this, if they are interested in increasing general revenue in a way that is considered, and we know this because again we have consulted on it for years and years, that the general public typically think is a very fair and understandable way although the people with the highest emissions vehicles pay a little bit more,
1185 it is pollution tax, then please do support this.

So, I think I better leave it there but I do ask Members to bear in mind that this amendment is not a selfish amendment coming from E&I we are thinking really exclusively of the people who are dependent on our bus service and I very, very much hope that Members of this Assembly will support them today by supporting this amendment.

1190 Thank you.

The Bailiff: Deputy Leadbeater, is it your wish to be relevé?

Deputy Leadbeater: Yes please, sir.

1195 **The Bailiff:** Thank you, very much. So you can now vote. It is time to vote on Amendment 11 proposed by Deputy de Sausmarez, seconded by Deputy Gabriel which would have the effect of inserting an additional Proposition and I will invite the Greffier to open the voting please.

1200 *There was a recorded vote.*

Amendment 11

Carried – Pour 21, Contre 17, Ne vote pas 2, Did not vote 0, Absent 0,

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Blin, Chris	Aldwell, Sue	Dudley-Owen, Andrea	None	None
Brouard, Al	Dyke, John	Kazantseva-Miller, Sasha		
Burford, Yvonne	Ferbrache, Peter	Roberts, Steve		
Bury, Tina	Haskins, Sam	Snowdon, Alexander		
Cameron, Andy	Helyar, Mark			
De Lisle, David	Inder, Neil			
De Sausmarez, Lindsay	Le Tissier, Chris			
Fairclough, Simon	Leadbeater, Marc			
Falla, Steve	Mahoney, David			
Gabriel, Adrian	McKenna, Liam			
Gollop, John	Moakes, Nick			
Kazantseva-Miller, Sasha	Murray, Bob			
Le Tocq, Jonathan	Oliver, Victoria			
Matthews, Aidan	Parkinson, Charles			
Meerveld, Carl	Prow, Robert			
Queripel, Lester	Trott, Lyndon			
Roberts, Steve	Vermeulen, Simon			
Roffey, Peter				
Soulsby, Heidi				

St Pier, Gavin
Taylor, Andrew

1205 **The Deputy Bailiff:** In respect of Amendment 11 proposed by Deputy de Sausmarez, seconded by Deputy Gabriel there voted in favour 21 Members, 17 Members voted against, 2 Members abstained and therefore I will declare it duly carried. I expect it will be inserted somewhere around about Proposition 21A just for the idea at the moment.

1210 So the next amendment in our running order is Amendment 5 which has been proposed by Deputy St Pier, if you wish to move that amendment now?

Deputy St Pier: I do, sir. I will begin by reading the amendment for the benefit of those outside the Assembly:

[Amendment 5](#)

To direct the Policy & Resources Committee to take all such steps as are necessary including, for the avoidance of doubt, consultation with the Lord Chancellor, the Ministry of Justice, the Government of Jersey and the Isle of Man Government, to ensure that the States are provided with the opportunity to approve the repeal of the income tax exemption contained in section 1 of The Office of Lieutenant-Governor of Guernsey (Salary and Official Expenses) Law, 1972 with effect from the end of the term of appointment of the current holder of the office of Lieutenant Governor.

1215 Sir, I would also like to begin by thanking Deputy Taylor for seconding the amendment. Deputy Ferbrache I think on Tuesday made the case for this amendment for me, (*Interjection*) perhaps inadvertently, when speaking on Deputy Le Tissier's amendment and I would like to thank him for doing so (*Laughter*) because he said and I quote:

1220 *people, morally, should pay tax where they live.???*

Now this amendment does go beyond the Propositions for the benefit, I am sure you will agree, sir, if you are asked to rule on it under 24(6) and for the benefit of Deputy Mahoney or possibly Deputy Prow or others, but I hope the Assembly will be minded to debate it. But I do need to start by explaining its genesis.

1225 Towards the end of last term, as Sir Ian Corder was coming towards the end of his term of office, Policy & Resources started to give consideration to removing the tax exemption on the Lieutenant Governor's official emoluments with effect from the appointment of his successor, given we knew that there was going to be an interregnum between the outgoing and incoming office holders. The election intervened and the new Committee chose, as was their right, not to pursue the matter.

1230 Now ahead of the budget debate in 2021 I approached Policy & Resources indicating my intent to bring an amendment on the lines before Members today. His Majesty's Procureur gave very clear advice that she believed the matter should not be raised at that time and the part that remains most relevant today reads as follows:

1235 *further in circumstances where the individual concerned is a Crown appointment consultation should include representatives of the Ministry of Justice and the Lord Chancellor.*

1240 I am not aware whether an up to date consultation has taken place on this issue with the Ministry of Justice and the Lord Chancellor but know that consultation took place last year following this issue being raised previously by the then Policy & Resources Committee and that the Lord Chancellor expressed firm views, not least that any changes be considered with due diligence and with regard to the long term impact for the role.

In addition he considered, and I agree, that the issue of the remuneration of the Lieutenant Governor was not purely a question of taxation but was fundamentally an employment matter. Further to introduce it as part of a budgetary debate risks politising both the issue and the

1245 appointment in a manner which is both unacceptable to the dignity of the Crown and detrimental to the neutrality of the role.

Now in light of that advice I decided not to pursue a budget amendment at that time but instead to write to Policy & Resources inviting them to consider the matter ahead of the next change in Lieutenant Governor in 2026 or 2027. Now frankly had they responded that they would look at it discretely before then I would have regarded the matter as closed.

Deputy Ferbrache responded on behalf of the Committee as follows:

The Committee has considered this issue previously as part of the 2021 budget process and when confirming the terms and conditions as part of the recruitment process earlier this year. As part of those discussion there was an expectation that the salary would need to be increased to compensate for the payment of income tax if such a change were to be applied. Now at this time the consideration of changes to legislation to enable the salary of the next office holder of the post of Lieutenant Governor's from 2026 to 2027 to be liable to Income Tax is not a priority area of work under the Government Work Plan. The Committee continues to focus its efforts on progressing priority areas of work identified in the GWP.

[...]

Both Jersey and the Isle of Man also exempt their Lieutenant Governor's from paying Income Tax on official emoluments with the exceptions set out in legislation. It is understood that neither of those Island's is actively looking into this matter at this time.

1255 In light of this response the budget amendment is an appropriate recourse for me to raise the matter and you will note that it reflects the constitutional advice from His Majesty's Procureur to date, namely the requirement to consult with the Lord Chancellor, the Ministry of Justice, Jersey and the Isle of Man.

1260 Now I must emphasis at this point that my position is not personal to any past or indeed the current office holder neither is it a comment on the role or how it has been discharged by any officer holder. It is principled and I will explain why. The Crown has by long standing convention been exempt from taxation. Now this changed during Her Majesty the Late Queens *Annus Horribilis* 1992. That was the year that three of her four children's marriages broke down very publically and was capped towards the end of the year with a major fire at Windsor Castle.

1265 Her Majesty volunteered to pay Income and Capital Gains Taxes on her personal income in the United Kingdom with effect from 1993. This was achieved by a Memorandum of Understanding with the Government of the day which has been subsequently updated. Now the tax position of the Crown has been reflected since 1992 in insular legislation which exempts the Crown's representatives from local taxation on their emoluments for doing that job and the office of the Lieutenant Governor of Guernsey Salary and Official Expenses Law 1972 stipulates at Section 1:

1270 *There shall be paid to the Lieutenant Governor out of the revenue a salary at such annual rate as may from time to time be fixed by the Committee*

And then these are the important nine words:

which salary shall be free of insular Income Tax.

1275 Now, it should be noted that this does not perfectly mirror the Crown's tax exemption as the Lieutenant Governor's other personal income, if any, remains subject to local tax whilst they are resident. The basis of this statutory exemption is not well documented and indeed may well have been lost in time other than, I suspect, that it was ever thus and at some point it was felt appropriate to put this local tax treatment on a sound legal footing in the 1972 Law and indeed in similar
1280 legislation in Jersey and the Isle of Man.

Now this amendment would remove this tax exemption for the next Lieutenant Governor and their successors. It would not disturb the contractual agreement and indeed the legitimate expectation of the current officer holder but their official remuneration will remain tax free for the duration of their period in office.

1285 The logic and principle, which I referred to earlier, is simple and I suggest irrefutable. The Crown has been paying Income Tax in the United Kingdom since 1993 and therefore there can be no sound basis for an ongoing Income Tax exemption continuing 30 years later for an individual representing the self same Crown. If it is good enough for the boss it must be good enough for the boss's representative. (**A Member:** Hear, hear.)

1290 It is not republican or anti monarchists, it is not anti establishment but I accept it is a challenge to the status quo. It also reflects the fact that per the personal tax burden of Island residents has increased in the decades since her Majesty volunteered to pay tax in the United Kingdom in 1993 and this is as a result of the necessary introduction of the Zero-10 corporate tax regime in 2008 and the shrinking proportion of the population being economically active needing to pay for public services enjoyed by us all, of which we are all very familiar.

1295 In that environment, exactly as Deputy Ferbrache said on Tuesday, it ought not to be a particular radical suggestion that every resident, including His Excellency the Lieutenant Governor, should be treated by the law requiring a contribution from their official income towards the public services enjoyed by all.

1300 Now in opposing the amendment P&R have said and it is set out in the Rule 4(1)(B) information that there is no point as it would not raise any more tax because in order to keep the remuneration competitive it will be necessary to gross up the sum to reflect that in future it will be subject to Income Tax.

1305 Now this argument is specious and rather ignores several important facts. Firstly, the logical expansion of the argument is we would not tax any public servant as we would also need to offer every public servant that gross packages that are competitive. Secondly, the amount of tax that might actually be raised by taxing the official remuneration will actually depend on the personal circumstances of each individual office holder depending on their other income and entitlement to tax allowances. Thirdly, surely the package needs to be what the package needs to be in order to be competitive for the role.

1310 But in Guernsey, in fact, the remuneration has never actually been formally bench marked because it has been simply fixed at 50% of the Bailiff's gross pay. Now, however, what we do know because it is actually published is that the Isle of Man pays their Lieutenant Governor £108,208 per year and they do not seem to have failed to attract the requisite talent for the role. So actually the final analysis having bench marked the appropriate remuneration for the role to ensure it is competitive, it might not actually be necessary to make any adjustment or the full adjustment to the gross sum payable.

1315 Now self evidently this is not the most important issue which we face (**Several Members:** Hear, hear.) either today or during this term but the legislative change, albeit requiring a Projet to come back to the Assembly in due course, is a very simple one. So prioritisation cannot, I am afraid, be used as a credible valid blocker. It simply requires the deletion of nine words in the 1972 Law, namely 'which salary shall be free of insular Income Tax', so that the law would instead read 'there shall be paid to the Lieutenant Governor out of the revenue a salary at such annual rate as may from time to time be fixed by the Committee'. I commend the amendment to the Assembly and

1320

1325 urge Members to vote for it.

The Bailiff: Deputy Taylor, do you formally second Amendment 5?

Deputy Taylor: I do, sir.

1330

The Bailiff: Deputy Mahoney.

Deputy Mahoney: I am sure he will be disappointed if I did not try 24(6) please, sir.

1335 **The Bailiff:** Well as Deputy St Pier has already conceded this is an amendment that does go further than the original Proposition so is it your wish that I put the motion that the amendment should not be debated?

1340 **Deputy Mahoney:** Yes it is please, sir.

The Bailiff: Well that is the motion, Members. Those in favour; those against?

Members voted Contre

1345 **The Bailiff:** I think I will declare that carried.

Deputy Mahoney: Recorded vote please.

The Bailiff: Very well, Greffier, will you open the voting now please.

1350 *There was a recorded vote.*

Amendment 5 24(6) Motion

Carried – Pour 20, Contre 17, Ne vote pas 2, Did not vote 1, Absent 0,

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Burford, Yvonne	Brouard, Al	Queripel, Lester	None
Blin, Chris	Bury, Tina	Oliver, Victoria		
Dudley-Owen, Andrea	Cameron, Andy			
Dyke, John	De Lisle, David			
Fairclough, Simon	De Sausmarez, Lindsay			
Ferbrache, Peter	Falla, Steve			
Haskins, Sam	Gabriel, Adrian			
Helyar, Mark	Gollop, John			
Inder, Neil	Kazantseva-Miller, Sash			
Le Tocq, Jonathan	Le Tissier, Chris			
Mahoney, David	Leadbeater, Marc			
McKenna, Liam	Matthews, Aidan			
Meerveld, Carl	Roffey, Peter			
Moakes, Nick	Soulsby, Heidi			
Murray, Bob	St Pier, Gavin			
Parkinson, Charles	Taylor, Andrew			
Prow, Robert	Trott, Lyndon			
Roberts, Steve				
Snowdon, Alexander				
Vermeulen, Simon				

1355 **The Deputy Bailiff:** So, on the motion pursuant to Rule 24(6) proposed by Deputy Mahoney there voted in favour 20 Members, there voted against 17 Members, 2 Members abstained, 1 Member did not participate in the vote and that is why it was carried. Therefore there will be no further debate on Amendment 5.

1360 Now Members of the States the next amendment to which I am going to turn is Amendment 18 on the basis that it has a motion under Article 7(1) of the Reform Law preceding the possibility of Amendment 18 being laid so Deputy Kazantseva-Miller if you want to speak on the motion only at this stage please.

1365 **Deputy Kazantseva-Miller:** Thank you, sir.

Members, when we let the Funding & Investment Plan delay we failed achieve one most important decision which is to enable the progression of the Transforming Education Programme

(**A Member:** Hear, hear.) that decision stayed with me and I straight away went to work with Deputy Dudley-Owen, her Committee and others to try to find a way forward.

1370 We have had various discussions on the way forward and the Committee progressed the laying of Amendment 12, which is also in play today. However, having further considered the concerns I have heard from Members, from the public and others I felt it was still extremely important to bring an additional amendment which will look to secure additional funding which will, hopefully, help the decision of Members to progress the funding.

1375 So, I apologise that this amendment has been laid late this week it was considered and in play previously but it is being laid late. Given the seriousness of this decision I believe if we do not progress education this will be one of our biggest failures of this (**Several Members:** Hear, hear!) political term. I really hope that you can approve this motion to suspend the rules so the amendment can be debated.

Thank you.

1380

The Bailiff: Deputy Murray, do you formally second the motion under Article 7(1)?

Deputy Murray: I do, sir.

1385

The Bailiff: Thank you very much. Well, Members of the States, I am going to simply put the motion to suspend the rules sufficient to allow Amendment 18 to be debated to you *aux voix*:

Members voted Pour.

The Bailiff: I will declare that carried and therefore invite.

1390

Deputy Roffey: Can I have a recorded vote please, sir?

The Bailiff: Of course you can. So, there is a request for a fresh division but this time with it recorded from Deputy Roffey. And I will invite the Greffier to open the voting please.

1395

There was a recorded vote.

*Motion Under Article 7(1) of the Reform (Guernsey) Law 1948
Carried – Pour 27, Contre 10, Ne vote pas 1, Did not vote 2, Absent 0,*

1400

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Brouard, Al	Leadbeater, Marc	Queripel, Lester	None
Blin, Chris	Burford, Yvonne	Le Tocq, Jonathan		
Bury, Tina	De Lisle, David			
Cameron, Andy	De Sausmarez, Lindsay			
Dudley-Owen, Andrea	Le Tissier, Chris			
Dyke, John	Matthews, Aidan			
Fairclough, Simon	Meerveld, Carl			
Falla, Steve	Roffey, Peter			
Ferbrache, Peter	St Pier, Gavin			
Gabriel, Adrian	Taylor, Andrew			
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Mahoney, David				
McKenna, Liam				
Moakes, Nick				

Murray, Bob
Oliver, Victoria
Parkinson, Charles
Prow, Robert
Roberts, Steve
Snowdon, Alexander
Soulsby, Heidi
Trott, Lyndon
Vermeulen, Simon

The Deputy Bailiff: So, on the motion under Article 7(1) of the Reform Law, there voted in favour 27 Members, against 10, 1 Member abstained and 2 Members did not participate in the vote and that is why it was declared carried and I will invite Deputy Kazantseva-Miller to open on Amendment 18 but I am then going to run Amendment 12 with it.

1405 So what will happen is Amendment 18 will be opened, formally seconded, any procedural motions at that point and then Amendment 12 will be opened, formally seconded, any procedural motions at that point as well. I do not know why you are standing up Deputy Matthews, fine, Deputy Kazantseva-Miller.

[Amendment 18.](#)

To insert a new Proposition as follows:-

"25. To agree:

a) that the scope for increasing revenue from the corporate sector through a levy or other measures should be increased from £5m per annum as approved by the States through the Funding & Investment Plan in October 2023 to £10m; bringing the total Core revenue raising and savings package to £40m and to direct the Policy & Resources Committee to include the development of such proposals as part of the 2025 Budget;

b) that completion of the Transforming Education Programme (Post-16 Campus at Les Ozouets, secondary school transformation and TGI Digital) at an estimated cost of £111m shall be added to the agreed capital investment portfolio for the remainder of this term, and the level of contingency reduced to £20m, taking the total portfolio value to £441m;

c) to reaffirm the authority granted to the Policy & Resource Committee in Resolution 16 on item 1, entitled "Government Work Plan 2021-2025, 2021/71" of Billet d'Etat No. XV dated 21st June 2021, to take out new borrowing to a maximum of £200m.

1410

Deputy Kazantseva-Miller: Thank you, sir.

And thank you for allowing the debate on both amendments at the same time. Just to make it very clear, this amendment supports the amendment that Deputy Dudley-Owen is bringing, Amendment 12, but actually the sub-propositions b) and c) are taken fully from Amendment 12 so in essence they incorporate what Deputy Dudley-Owen is trying to do but with one crucial additional Proposition which is to increase the envelope of the revenue raising measures that we have agreed, three weeks ago, by a further £5 million. So if you wanted to stop listening to my speech now this is the most important message, okay.

1415

So, when we debated the Funding & Investment Plan I said there were three key prizes that we should keep in our minds; one of them was revenue raising and saving package, the second was the Hospital and the third was the Education Programme. I think I tried to do a good case to show that approving Scenario 2 would not be an irresponsible and difficult decision, that we should be supporting Scenario 2. I did not take that decision lightly, I supported Scenario 2 because I thought it was extremely important that we enabled the funding of those projects and I did that because I was confident that the revenue raising measures that were already in scope through the core revenue raising package, as well as the work streams that were in play, could be further expanded.

1420

1425

I really support Deputies decision three weeks ago not to fund that option and I understand the concerns that they had. From what I hear the main concern is that the required total funding would

1430 not be supported by the extent of the revenue raising measured that we approved. So, I am bringing this amendment trying to really solve that specific issue.

But before I do that I do really want to make it clear what is in play, what are we asking for today. So three weeks ago we approved a total capital portfolio package of £340 million that included the amendment that was brought by Deputy Brouard to include the Hospital but also included a contingency package of £30 million. So the total portfolio package was £340 million.

1435 The total amount of funding that the whole of the Education Programme requires is £111 million so this is the funding that has not been approved. The proposals through Deputy Dudley-Owen's amendment and also my amendment which copies the wording is that the contingency that was approved earlier, £30 million, is slightly reduced by £10 million and that we reaffirm the combined borrowing that will be required to enable the capital programme.

1440 But really what is in play today that additional amount of funding that we have not effectively funded and we are requiring the Assembly to consider today is £100 million of additional funding that needs to be enabled through borrowing. So this is what is in play today, it is not £200 million it is £100 million of funding that is required beyond the capital envelope that was approved three weeks ago.

1445 The proposals I am bringing today are that we support that level of additional funding which will enable the progression of the Education Programme through extending the scope what a standalone corporate levy could bring. Now this is not a new idea, this has been in play for now close to a year. This was scoped in the EY report that was commissioned by Policy & Resources looking into the different options of raising revenue through the corporate sector. They outlined
1450 four different options and option four, which was this concept of a standalone levy, was the one that scoped to be able to achieve, according to EY, the highest level of revenue at about £20 million but also the one that would have the least or no behavioural risks that other measures such as some of what Deputy Parkinson is proposing could entail.

So this levy is something that I have been closely looking at for over a year. This was central to the proposals of the fairer alternative proposals one and two, so again, all the Members who had
1455 been developing and approving the proposals over the few debates this was central to the fairer alternative.

But also I think, I truly think, this is one of the most secure proposed income streams that we actually have in play today because with parking and transport taxes that is going to be contentious,
1460 we do not know exactly how it is going to work out so there are more risks attached with those. With specifically the levy the reason why I feel confident why this standalone levy concept could work is because we already have a proxy for such a levy in play currently in the system.

We have what is called the Annual Validation Fee which every single entity, corporate entity in Guernsey and there is about 20,000 of them, has to pay to be on the Guernsey Registry systems
1465 they have to submit a certain level of information, they effectively validate their corporate entity and this little fee which is £250 for generally trading companies, limited companies and somewhat higher for regulated entities, generates a surplus profit of £10 million a year for general revenue. It has been generating that consistently since it was brought in and it is completely above the operational costs of the Registry.

1470 Actually I must declare an interest here because I do own a business and if this is brought forward I will be, as a business, required to pay an additional fee. I submit that annual validation, it is a very simple process, it is very clear, every single business has to do it, it takes 10-15 minutes, a very simple process.

I am not being prescriptive about how such levy or other measures could be brought in what I
1475 know is that we have a very good example that is already in play, the mechanisms are there, Guernsey Registry could act as a collector because they have done it they have the experience, they know how it works and I have very close experience of how it could play out.

What I think is very important is what I am not proposing is that this levy is just bolted on to the existing Registry fees so that the Registry fees we start comparing them to other jurisdictions. So I
1480 think for clarity this is not a proposal to increase registry fees, that is a separate work stream, the

proposal to bring a separate standalone levy which would be a flat levy, would not be dependent on the revenues of the business that, I think, is absolutely critical for business and it would largely be similar to what an Annual Validation model could bring.

1485 So, this is not a new concept, this has been in play, industry has been aware about this levy concept for coming up to a year. I have had informal discussions with businesses also with the industry body about this concept of a levy, they take it for granted it is coming, they really do not see that it is a big deal. They do not see the big deal to pay, yes there is going to be an additional cost of business but it is marginal, as I say it is £250 of this margin cost.

1490 Now, I think what is important is that I think I have been very conservative in scoping this additional revenue raising measure would be £5 million, I truly think it could be more than that but I did not want to scare the pigeons, or whoever, by saying let us put it at £15 million or whatever. I am starting with a very conservative estimation of £5 million, I truly think this can be more, £10 million plus. I at least think we can also keep this £5 million of revenue raising in real terms over the years, so if we might be borrowing and the borrowing costs will be obviously the same, borrowing
1495 does not go up with inflation, the real value of this revenue raising £5 million will increase in time because through budgetary measures we will be able to bring inflation adjusted price increases to this levy.

1500 So, the other key part is that we are looking to fund a long term asset for the community, the Les Ozouets Campus; because we have now moved to the IPSIS accounting we are valuing and depreciating public assets over their life time. So the expected life time of the capital programme for Education will be over 60 years time, thank you Deputy Haskins. So this is what we have to consider, what is the cost over the life time value of the capital investment programme and it is 60 years.

1505 This £5 million, this conservative £5 million, which we can keep in real value over the years, is more than enough to fund the borrowing, the repayment and the interest of the Education Programme. So, the way I phrase the propositions is that we are not saying that this levy has just been classed for Education it will go into general revenue and obviously through general revenue we fund basically everything. But in some way you could say that what we are saying is industry, we have considered all options we are coming to you to say we need your help because this is a critical
1510 enabler to invest into our Skills and Education Transformation Programme but also alongside other investments that Government will be hopefully committing through the Government Work Plan, they include the Human Capital and Skills Development Programme, there is about £2 million plus allocated to that, we are nearly ready to go with that we are waiting for approvals of the Government Work Plan.

1515 We have also agreed as an Assembly as part of the Government Work Plan to look into workforce participation. So what we are saying is listen we have an exciting transformation and investment programme that we want to deliver through the States and we need your help (**A Member:** Hear, hear.) to increase, by a slight margin, what you are paying in terms of the standalone levy to help fund this programme. We have had a number of industries, Guernsey Tradesmen Association, etc.,
1520 Construction Forum and others come to us to say we need the Campus, we need the apprenticeships, we need the training, we need the skills (**A Member:** Hear, hear.) we cannot not do this (**Several Members:** Hear, hear.) and this is what I want to end my speech on, is to say that if you think.

1525 **Deputy Taylor:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Taylor.

1530 **Deputy Taylor:** Deputy Kazantseva-Miller just said we cannot not do this, not doing this is absolutely is an option that is available to this Assembly.

The Bailiff: Deputy Kazantseva-Miller.

1535 **Deputy Kazantseva-Miller:** What is the cost of not doing this? (**A Member:** Huge!) And this is actually something we probably have not properly scoped and I do hope Deputy Dudley-Owen and perhaps Members of P&R will actually share with us what is the cost of doing nothing because I think it is going to be eye watering and substantial. It is going to be money thrown down the drain when we consciously take a decision not to invest and do you know I wish we were not in this situation, I wish maybe we had other tax proposals that approved but we are where we are.

1540 We have as an Assembly inherited through the different political terms under investment into our infrastructure. We are facing this need to invest into two major capital projects at the same time, we have not chosen that timing we are presented with the situation and I believe we have to find the way to move forward together as an Assembly.

1545 I do want to end with words which are not my words but words of children, of young people in Guernsey who will benefit most but also that are set to lose most if we do not make the decision today. It is the words of Emily Watts that appeared in Guernsey Press but also she emailed us earlier this week:

I personally feel not prioritised as Deputies that claim to be invested in education just do not prioritise education and young people. If the older generation want to help young people be successful they need to invest in our future. To invest in our future means investing in better post 16 options. I believe it will change our future.

It is our job as young people to keep Guernsey in the position to succeed in the future. It is your jobs, as Deputies and adults, to ensure the people responsible for Guernsey's future have the correct education to do so and you can only do so by funding the new post 16 campus.???

1550 Members, I was not in favour of the preferred model in 2021 but we are nearly in 2024, times have changed. Attempts to introduce other models have failed and as, I think Deputy Trott says, I am a democrat. I accept the decisions and I am open minded I think we need to move forward (**A Member:** Hear, hear.) and I will not stop this political term until we find a way forward.

1555 So, Members, please I hope this amendment addresses the serious concerns Members did have in supporting scenario two which I absolutely accept and I hope that this amendment and this levy concept gives you the security this is the most secure likely revenue stream that we actually have, I truly think this is something we can bring in in 2025 unlike probably any of the other measures, to press the button on the education campus with is also essential for enabling the progression of the Hospital as well, because the Hospital has been designed to tag along into the Education Programme because of the library, etc., etc. So let us not play the game that great let us do the Hospital but not education, we absolutely have to do both.

1560 Thank you. (Applause)

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

1565

Deputy Murray: I do, sir.

Deputy Matthews: Sir, can I call Rule 24(6)? (*Interjection.*)

1570 **The Bailiff:** Very well, it is obvious that Amendment 18 does go further than the budget propositions and therefore Deputy Matthews is inviting me to put a motion to Members that Amendment 18 be not debated I take it? So that is the motion, there will be no further debate on Amendment 18.

Members voted Contre.

1575

Deputy Haskins: Can I have a recorded vote please, sir?

The Bailiff: You can, Deputy Haskins and I will invite the Greffier to open the voting please.

1580 *There was a recorded vote.*

Amendment 18 Rule 24(6)

Carried – Pour 5, Contre 30, Ne vote pas 2, Did not vote 3, Absent 0,

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Brouard, Al	Aldwell, Sue	Burford, Yvonne	De Lisle, David	None
Matthews, Aidan	Blin, Chris	Meerveld, Carl	Le Tocq, Jonathan	
Roffey, Peter	Bury, Tina		Trott, Lyndon	
St Pier, Gavin	Cameron, Andy			
Taylor, Andrew	De Sausmarez, Lindsay			
	Dudley-Owen, Andrea			
	Dyke, John			
	Fairclough, Simon			
	Falla, Steve			
	Ferbrache, Peter			
	Gabriel, Adrian			
	Gollop, John			
	Haskins, Sam			
	Helyar, Mark			
	Inder, Neil			
	Kazantseva-Miller, Sasl			
	Le Tissier, Chris			
	Leadbeater, Marc			
	Mahoney, David			
	McKenna, Liam			
	Moakes, Nick			
	Murray, Bob			
	Oliver, Victoria			
	Parkinson, Charles			
	Prow, Robert			
	Queripel, Lester			
	Roberts, Steve			
	Snowdon, Alexander			
	Soulsby, Heidi			
	Vermeulen, Simon			

1585 **The Deputy Bailiff:** So, the voting on the motion pursuant to Rule 24(6) proposed by Deputy Matthews is that there voted in favour 5 Members, against 30 Members, 2 Members abstained and 3 Members did not participate in the vote. So I will now turn to Deputy Dudley-Owen to open the debate on Amendment 12 please.

[Amendment 12](#)

To agree that completion of the Transforming Education Programme (Post-16 Campus at Les Ozouets, secondary school transformation and TGI Digital) at an estimated cost of £111m shall be added to the agreed capital investment portfolio for the remainder of this term, and the level of contingency reduced to £20m, taking the total portfolio value to £441m and to agree to reaffirm the authority granted to the Policy & Resources Committee in Resolution 16 on item 1, entitled "Government Work Plan 2021-2025, 2021/71", of Billet d'État No. XV dated 21st June 2021, to take out new borrowing to a maximum of £200m.

1590

Deputy Dudley-Owen: Thank you, sir.

This amendment seeks to insert the Transforming Education Programme 'TEP' into the capital portfolio and increase the sum of borrowing that might be needed to fund the entire portfolio over

1595 its 10 year lifespan to £200 million. In addition, on advice from Treasury, to reduce by £10 million the £30 million contingency resulting from Deputy Brouard's amendment during the F&IP debate.

I would like to thank all Deputies who have been supportive of the move to represent the proposal to the Assembly and to the wider Assembly, given the vote just now, the importance of this matter. Thank you to my Vice President, Deputy Haskins, and Deputy Aldwell for their support, the seconding of this amendment merely down to a timing issue. But also specifically to Deputy Kazantseva-Miller and Deputy Murray for their involvement in the work to bring this back to the Assembly. It truly has been a collaborative effort.

1600 Sir, this tale began long ago. I was a mere 12 years old in 1986 when the States recognised that the buildings of the College of FE at Les Coutanchez were nearing the end of their design life and had limited capacity. So plans were drawn up to replace and expand the campus on site. Well forward nearly a decade when I was 22 when plans were developed for a new campus at Les Ozuets.

1605 Another six years went by, by which time I was nearly in my thirties and with States approval of the plan to relocate and a final master plan completed in 2003 the first element of the campus, Princess Royal Centre for Performing Arts was approved and then built. But every year thereafter the plan was delayed until 2012, when I was 38.

1610 The States approved development once more in 2019, 2021 and reaffirmed it this year in 2023. I am now a year shy of 50 and still we have no completed development. In those 37 years tens of thousands of students post 16, apprentices, adult learners and more of many disciplines and all levels have passed through that college, myself included, leaving with skills, training, knowledge and qualifications in hand ready to go on to university, to start work, get a promotion or retrain for another job.

1615 For 37 years the rebuild of the College of Further Education has been planned and we are now so close, within a hairs breathe, the closest Guernsey has come to (**A Member:** Hear, hear.) achieving this ambition and we in this room today can be the ones to make that happen. Sir, I will cover two substantive elements for Members to consider; one the funding arrangement and two the necessity of investment in education with some extra facts to add to detail. Mindful of the fact that Deputy Kazantseva-Miller has already spoken about funding arrangements which augment what I will say here today.

1620 So we are seeking to add Transforming Education Programme into the approved capital portfolio at a value of £111 million. By adding TEP to the schedule of works within the capital portfolio as agreed in the F&IP debate which we described as Portfolio 1+, the value of the portfolio, which Deputy Kazantseva-Miller has stated already, stands now at £340 million and it rises, therefore, to £440 million. Therefore, considering the net position of the Treasury advised reduction in contingency of £10 million the capital portfolio value increases by the sum of £100 million by the addition of the programme.

1630 So, Members, sir, will recall that in terms of funding of the works within the capital portfolio that the addition of the Hospital Modernisation Phase 2 Project, alongside the approval of funding from the Guernsey Health Reserve an unlimited sum of borrowing as needed was also approved. We are still in a position of having existing authorisation to borrow up to £200 million and it is this sum of borrowing, to the extent that it is extant, that we wish to affirm so that the entire portfolio with the addition of TEP is affordable.

1635 This borrowing is not specifically for TEP but it gives flexibility and allows sufficient cash reserves to be maintained while increasing the level of funding available to fund this terms capital portfolio. In summary, we are seeking to return to a Scenario 2 position as presented in the F&IP with the inclusion of both TEP and OHM with the use of the Health Service reserve to part from the Hospital works whilst retaining the flexibility to borrow, if needed, at certain times to afford the entire package of works.

1640 This scenario is modelled as affordable allowing a greater amount of funding to be made available to progress key capital projects in the medium term. We have recognised the need to implement a sustainable financial position for the long term, the next Assembly is under resolution

1645 now to receive proposals for plans to balance the books and fill the reserves with any new measures ready for implementation by 2028 and 2029.

Now none of us have a crystal ball and how the next Assembly do this and what measures those will be will probably only be informed guess work at this stage but I have heard a concern, which I think is a red herring suspicion, that this borrowing could be used as a back door to getting GST across the line this term and I really think that this is just scaremongering by anyone pushing that narrative now. We know that that is not the case but in terms of future proposals who knows what these could be, possibly entirely different from what we have seen this term.

1650 But talking to the repayment of this borrowing that will be funded from the additional £35 million, which is £25 million of new revenue and £10 million of savings agreed as part of the core package in the F&IP. For the avoidance of doubt the cost and the repayment of borrowing was already factored into the Scenario 2 model in the F&IP plan.

1655 The interest on the borrowing is estimated to be circa £10 million to £11 million per year from 2026 to 2032 with the capital repayment included at circa £3 million per year from 2027. The debt is based on a 30 year term with repayments totalling £90 million by end of 2032. Now, this point about repayment needs proper clarification and misleading narrative has played out and it has disputed the repayment mechanism during and since the last debate. I have been told that there is no repayment or that the repayment will be funded, as I have mentioned, directly by GST.

1660 Now, neither of these assertions are true and I will repeat that the repayment of this borrowing will be funded from the additional £35 million that we agreed as part of the core package in the F&IP. It was in the policy letter for the F&IP, it was confirmed during debate on various occasions, most memorably in the summing up by Deputy Helyar and Deputy Kazantseva-Miller but we must have an informed, professional and grown up debate with facts at our fingertips and charges of unfunded borrowing are a nonsense. However, the myth has been spread and it must be put to bed. Perpetuating this fiction is misleading to both the Assembly and the public, sir.

1665 And at this point I reference again Deputy Kazantseva-Miller and Deputy Murray have brought forward Amendment 18 and obviously Deputy Kazantseva-Miller has opened on that and I think she did a very good job or articulating very clearly what impact that would have. I will be supporting that related amendment and I encourage others to do so to.

1675 **Deputy Trott:** Sir, on a point of correction.

The Bailiff: Point of correction, Deputy Trott.

1680 **Deputy Trott:** Sir, I was reluctant to intervene but because Deputy Dudley-Owen is seeking to correct matters that I believe others have said publically, she said that savings would create an increase in revenues. Savings, of course, will not increase revenues what they will do is they will affect either the surplus or the deficit. So, I know she is eager to be factually accurate in all her comments and I can see she accepts that intervention.

Thank you, sir.

1685 **The Bailiff:** Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, sir.

1690 Thank you to Deputy Trott for his ultra acute clarification of what I was saying. So our capital portfolio requires funding to be organised and allocated at the start of the various programmes. TEP, therefore, will need allocated funding of £100 million in Q1 2024. But funding will not need to be drawn down at that time the draw down would be phased and used as required. Not all the money is needed at once, the capital works is spread over a period and larger programmes are not taking place concurrently.

1695 Access to borrowing is based on the current assumptions of the cost of the schemes and financial forecasts are based on revenue raising measures approved. So, if the measures materialise to the

1700 extent envisaged then we may not need to borrow as much and regardless there would only be draw down of what is required. But for a prudent approach we do need to have certainty that the various programmes in the portfolio can be assured of access to the funds at their start time hence the approval of borrowing which may never be used to the full extent. I will leave Deputy Aldwell to talk about the borrowing mechanism when she speaks having understood this better from time spent with the Treasury team I know this will be of interest and helpful for Members, sir.

1705 As part of the F&IP following the approval of Deputy Brouard's amendment the States agreed Scenario 1 with the addition of the Hospital Modernisation together with other listed works as well as a contingency of £30 million covering any additional and inflationary measures. This level of contingency was higher than the original provision in the F&IP Scenario 2. Whilst holding some contingency reflects good practice holding contingencies which are too high ties up funds to the detriment of other projects in the portfolio.

1710 Each project or programme in the portfolio already has inbuilt contingencies in their costings as well as an estimate for inflation based on the latest estimates. Treasury has confirmed to me this level of £30 million is higher than necessary hence the reduction. Including TEP in the agreed portfolio and reducing the contingency to £20 million delivers an overall capital portfolio cost envelope in line with scenario two of the F&IP policy letter.

1715 So, finances over let us talk now of the case for investment (**A Member:** Hear, hear.) because the positive educational impact of the realisation of TEP will just not be possible without this amendment. But do not just take my word for it I will quote here from the letter we all received from a group of senior leaders at the sixth form centre with their permission to do so because their words are far more articulate than mine and they say:

It is now time for a post 16 institution where these enrichment programmes to increase cultural capital and prepare our young people for university and employment can become the prioritised focus alongside colleagues from TGI who, like us, know and understand the specific needs of 16 to 18 year olds.

[...]

From a vocational point of view we are keen to work alongside and collaborate with TGI starting to build partnerships, developing programmes with industry and professions on the Island.

1720

This amendment allows us to send the message to the community, to young people, their parents and to employers that we value all learning and qualifications technical and vocational skills and academic study. But insisting they continue to learn at post 16 in a substandard environment (**A Member:** Hear, hear.) sends the message that Guernsey does not value further and higher education nor understands the value that it brings to our Island and our economy.

1725 This amendment enables the ambition to desired college status and validation from TGI where currently the accommodation facilities at TGI's College of Further Education would be impossible for degree level programmes to be delivered. We have ambition to provide excellent and broad choice for on Island study at higher levels but we are being held back.

1730 The amendment enables full integration of the three organisations of the TGI which is impossible to achieve without the digital funding last month's decision has denied us access to. Now we cannot fund the necessary digital infrastructure changes to make the operational and administrative efficiencies such as getting the three organisations onto one IT platform. These things we know are not only long overdue but also essential.

1735 This amendment avoids further unnecessary delays to the TGI project and transformation of secondary and post 16 education, delays which are having a detrimental impact on staff morale, recruitment and retention. The system needs stability to attract and retain the very best staff. I can see that, business leaders can see that, staff can see that and our students can see that. This amendment also supports provision for fit for purpose accommodation for music service, youth commission, shared team and a specialist communication interactum and autism base at Les Beaucamps which are all essential parts of our education system.

1740 Sir, since the last debate we have heard from trade associations, from senior staff members at TGI, from senior staff members at the sixth form centre, we have heard from the youth forum and

1745 individuals expressing their dismay, frustration, disbelief and confusion about the decisions that were made. As a result of their correspondence we understand better the issues staff are facing in their school and college, specifically Les Barnard and TGI on a daily basis and how this affects the student outcomes, the quality of education they are able to provide, their compromised working environment and the disheartened spirits of staff. They are urging us to reverse our decision. (*Interjection*)

1750 States Members have received much of that correspondence directly or may have seen this in the media and the Committee is alive to the reality of the complexities and sensitivities of major change management, especially for a programme of this size in a small community. But we know that many staff in the senior phases of education want the programme to progress without further delay and they view this delay as damaging education.

1755 How do we know this? Well we know it is important for staff to have their voice and we know that some have felt that they have not been heard and following the F&IP debate outcome last month a brief survey of 483 staff of our secondary and post 16 phases was carried out so we could understand their views. 256 staff responded split between secondary school partnership, where 44% of the work force responded, and at TGI 60% of the workforce responded.

1760 There are no surprises in so far as when the States Data and Analysis Team, who supported us with this work, presented their findings to the Committee they confirmed that 80% of respondents told us that the further delay to the planned transformation of education is damaging current provision across the secondary and post 16 sector, that is 80% of respondents. More than half of our secondary and post 16 work force told us that the decisions of this Assembly are damaging the current provision of secondary and post 16 education. 67% were clear that they wanted us to proceed with the current plans for transformation without delay.

1765 But the mixed views of staff must be acknowledged and this emergency is in response to two further questions which are helpful in indicating where we need to expend more change management energy to support staff. These show that amongst those 44% of staff who responded from the secondary school partnership half of them are not in favour of an interim temporary move of the sixth form centre and of the 58 members of staff who responded favourably to that move wanted the interim situation limited to a duration of two years, as do I.

1770 But, sir, as I have referred already I was interested to receive, as Members did, a letter from heads of four departments at the sixth form centre confirming that they are keen to move forwards even if doing so means a temporary move until their preferred long term home at Les Ozouets is available.

1775 The very clear message from a wide range of voices in our community is that we have to move forwards. (**Several Members:** Hear, hear.) Reversing out of the position we have reached is not an option and we cannot move forwards to implement the changes this Assembly ratified only last month without funding.

1780 Sir, drawing to a close we know that education is a force for economic and personal growth and a tool for community cohesion. It is a generally accepted wisdom that the investment in our children and young people and adult learners through education is one of the best investments Government can make. Now I will remind Members by repeating some of what Deputy Kazantseva-Miller has said already through a quote that we were told by representatives of the Youth Forum this week in response to the decisions:

If the older generation want to help young people be successful they need to invest in our future.

(**A Member:** Hear, hear.)

I as well as many other young people are in favour of the new campus and truly believe it will change our future. It is our job as young people to keep Guernsey in the position it is down the line and succeed in the future. So, it is your job, as Deputies and adults, to ensure the people responsible for Guernsey's future have the correct education to do so. You can do this by funding the new post 16 campus.

1790 Sir, I commend this amendment to the Assembly and ask Members for their support.

The Bailiff: Deputy Aldwell do you formally second Amendment 12.

Deputy Aldwell: I do, sir.

1795

The Bailiff: Well Members of the States Amendments 12 and 18 simply insert additional propositions. It would be possible for you to decide to insert both of them without any further debate and simply vote on them at the end of the general debate. If, however, you want to choose between them you can choose between them. I will just explain that having taken both of them together I am going to have to vote on Amendment 12 before the vote on Amendment 18. Does anyone wish to speak on these two amendments? Deputy Haskins.

1800

Deputy Haskins: Sir, my speech is going to take longer than 5 minutes; certainly I think it is more into the 20 minutes.

1805

The Bailiff: Deputy Haskins you stood, I have called you. Speak please.

Deputy Haskins: That is absolutely fine then, sir. Sir, I was going to say this amendment is very simple but it is not. This issue is very simple, to build or not to build that is, *(Laughter)* Deputy Queripel, that is the question. In 2021 we, this Assembly as Deputy Dudley-Owen did already tell us, we voted to build the new campus. We told ESC to ahead and sort out Education, that this what we, as an Assembly, voted to do and again just two weeks ago this Assembly re-approved the direction but in the same meeting most of this Assembly voted not to pay for the future of education.

1810

Not all of us **(A Member:** Hear, hear.) some of us want to see this inspirational campus but we really need to show the people who are paying for this indecisiveness that we do understand what we are voting for. As it stands to the public we seem to not understand and they believe, quite rightly so if you ask me, that we are wasting taxpayer's money on these endless reversals and reinstatements and lack of commitment to the future of Island home and all those who sail in her; *(Laughter)* our students, our children, their parents, our parents, their grandparents, our grandparents, all of whom stand to benefit from this taxation and social security that their income will provide, let alone the social capital that we build as a community.

1815

While I do address you, sir, as a matter of protocol I am speaking for and to the students, teachers, children and the parents of this Island as well as addressing fellow Deputies, who I sincerely hope will not just hear but will listen to what is being said and not just to me but all the people that have emailed us and contacted us pleading to carry on and invest in education.

1825

It is my aim to persuade Members that we need to vote for a learning environment that will inspire our students to be the best that they can be, to remain on our Island home and learn the most they possibly can in schools in a purpose build campus that caters for all who want to learn and be a productive part of our community.

1830

I would like to address our students and their parents. I think that at this point it is fair to say that this Assembly, or most of us, have failed you. I apologise. I stand here on behalf of the Committee playing my part to try and bring back stability and bring back the inspirational vision for your education. I want you to succeed, we want you to succeed. We have either not understood or decided that it is politically expedient, not expedient to fund your future or we have just decided that the whole strategy for education is just too complicated or too political and we have filed it in the too hard.

1835

Whichever way I do want to say that ESC and our officers and the Members who voted for previously we really do care; we do want you to succeed. We want you to have the best facilities, facilities fit for now and fit for the future. Facilities that will attract the best teachers, who will teach, instruct and inspire you. Facilities that have space to learn, space to do, space to work in groups

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without having to leave the campus. A collegiate atmosphere that inspires in all a desire to learn and do well and succeed. I, ESC, education officers and many Members stand in support of you. Many Members of this Assembly do care and those who do, I am sure, will vote for these amendments and it will be on record for all to see.

1845

So why has this Assembly failed to get behind a learning environment that will enable our children to place their stake in their future? Could it be that this Assembly simply finds the finance too complicated? If that were the case I could understand why. ESC and officers have lived and breathed the programme in front of us for over two years. We really do live and breathe our students' educational future. We know it is complicated and it is nuanced. Now I do not mean to patronise anyone, but the numbers are complicated. Now our strategy to implement a long term and stable educational estate for our students has been hampered due to politics and now we have the question of how we will pay for this investment in our futures.

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Deputy Dudley-Owen has reminded members the borrowing is funded it was funded by the decision in the last debate. I think we all understand our Island has not agreed the long term financial stability. We know that, the public know that and yet most of this Assembly voted to keep Guernsey in its structural deficit.

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Now in front of us is another amendment that allays the fears of those who think the borrowing is unfunded by increasing revenues by a further £5 million circa, of course, because as Deputy Kazantseva-Miller did mention, that can be more. One thing that she did, I think, fail to mention is that one this is an ongoing revenue stream. So, there should be no reason to vote against the urgently needed project. So I thank Deputy Kazantseva-Miller for bringing this.

1860

Now if Members will indulge me, I would like to recap on where we are now, seven years on from when some Members of this Assembly voted to scrap the 11+ on 2nd December 2016. Let us start with the buildings, the state of our buildings is quite simply too poor. Students know this, teachers know this, employers know this they are all telling us. I am not going to go into the detail about the ageing estate as I am sure that most of the Members fully understand the state of our educational estate.

1865

What I will say is that simply stopping the current programme to transform education, which is tasked at implementing a modern strategy and building a campus to deliver post 16 education, simply stopping will incur a significant cost. Doing nothing costs money, in fact doing nothing costs more. We have to repair, we have to upgrade and invest in our buildings, dilapidated buildings and the longer that we leave this the worse the buildings get and the more they cost to repair and maintain.

1870

Now, to keep things simple and for those listeners who may not be householders but instead owners of second, third and fourth hand cars, such as myself unlike Deputy Trott I think has a sparkling (*Laughter*) one. The analogy that I will use is that of an old banger, such as mine. Imagine you have an old car, it has been reliable for a few years and it has been through the hands of many careful owners and some not so careful. Now over time it begins to show signs of wear and tear. The engine does not run as smoothly, the inside looks shabby; there is no camera to help with parking, no sat nav, no blue tooth, no information on the dash to tell you what is wrong.

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At first you may manage with small fixes here and there. Replace the tyres, adding a camera, a new sat nav, plug in adapters to the old fag lighter port just to charge your phone; all of these little fixes cost money. It costs money for the new tech and costs a huge amount of money and time to fit the new tech and the costs keep mounting. The old banger gets more and more expensive every single year.

1885

Well we are faced with the same issue, add a rim on here or there, replace wiring just to ensure that we have internet, fix a leaking roof, replace the heating, replace windows that do not even keep the heat in, install an air conditioning unit in buildings that are 50 years old, create libraries that are equipped with charging stations, install modern computers and screens, workshops that are wind and water tight. The list is endless, where do we stop? When it gets too expensive, that is where we are.

1890

1895 The simple fact is not going ahead now is ensuring wasted sunk costs. By sunk I mean that we have already spent a huge amount of taxpayers' money, money that this Assembly voted for us to spend, to spend not to waste, continuing to use education as a political football means that fewer educational benefits are being realised. The investment been discussed today has to happen regardless. Not voting this amendment or these amendments will cost more to the taxpayer. We need to spend a huge sum of money just to keep buildings as is. If Members want to save money they must vote for this amendment.

1900 Sir, I will not dwell on the buildings any longer what I would like to do is look at what the future brings. There is a huge fundamental revolutionary transformational change happening right now and it seems many of us in this Assembly are not even aware of it. I am, of course, talking about artificial intelligence. Now I keep talking about this because it is all around us and I want to give a few examples of why AI is so relevant and how it will change the environment we learn in, the things
1905 we learn about, the way we learn and what we apply our learning to.

I do not know how many people in this Assembly really know about AI and its capabilities right now. I know there are Members that are extremely interested such as Deputy Trott and Deputy Kazantseva-Miller. Now I am sure they are aware of some of the things but I will run through a list for those of you who are not.

1910 AI right now it can compose music in any style you want, it can create artwork, logos, videos, create poetry and prose, (**A Member:** Speeches.) (*Laughter*) speeches, I can assure Members this one was not made by AI. Now AI can copy your voice after three seconds and then say anything in your voice. It can actually do the same for animals.

1915 **The Bailiff:** Deputy Haskins, I am struggling to understand the relevance to either of these amendments of artificial intelligence.

Deputy Haskins: Sir, what I am trying to do is say that why it is important given such a fundamental change that is coming down the line that we must invest and we must invest now.

1920 **The Bailiff:** Just get on with it.

Deputy Haskins: Sir, I think I am going to take that as an opportunity to continue.

1925 **The Bailiff:** Well until somebody rises, but I am struggling to see the relevance of it Deputy Haskins, to these amendments, which is all we are debating at the moment.

Deputy Haskins: Okay.

1930 **The Bailiff:** This is not the general debate.

Deputy Haskins: No, sir, I take your point. (*Interjection*) Sir, what I am saying is that we need to make sure that our Island is prepared. (**A Member:** Hear, hear.) We need to make sure that we have the facilities and capabilities to reskill in the light of this huge challenge ahead of us. The Guernsey Institute trains and retrains adults, not just youngsters, adults too. We need to make sure our students are best prepared for this coming change.

1935 The education project will be a large part of our defence but perhaps more importantly our ability to realise the opportunities that will be ahead of us. Our economic growth perhaps just our financial stability we must not delay this build, it is more important than I think Members realise.
1940 After all education is an absolute fundamental pillar in our society and our economy. We must agree to fund it.

Sir, put simply voting against this amendment is voting against our future, voting against our children and their future, against our teachers, against the TGI, against economic growth, against diversification, it is voting against our success as an Island, it is voting against essential services for

1945 our Island healthcare, social care, education. Where are these people trained? The TGI. So that is what Members are voting against.

Sir, I am not going to urge Members to vote for this amendment I am going to ask Members plain and simple to act on common sense, common decency and show a commitment to our community, our friends, your family and our wider community. If we do not agree this it will cost more, much more, and it will cost the future of our Island both in terms of our children and our economy and our economic growth. The cost is not just financial. Please vote for the future of our Island and a prosperous Island and vote to support this amendment.

The Bailiff: Well Members of the States we would normally adjourn until 2.30 p.m. at this point but I am going to put a motion to you that we come back at 2.15 p.m. to try and gain a little bit which gives you a half an hour shorter lunch time given the length of the last speech than you would otherwise get.

Members voted Pour.

1960 **The Bailiff:** I will adjourn until 2.15 p.m.

*The Assembly adjourned at 12.45 p.m.
and resumed its sitting at 2.15 p.m.*

1. States of Guernsey Annual Budget – Debate continued

The Bailiff: Does anyone else wish to speak on these two amendments? Deputy Meerveld.

1965 **Deputy Meerveld:** Thank you, sir.

I have been a very strong supporter of both Education and this Education Committee in their plans ever since they initiated them and it was the first Committee I served on in the States when I first got elected in 2016. So it an issue very close to my heart and I absolutely want to see this programme implemented. I think it is desperately needed it is long overdue but the finances are not sustainable despite what Deputy Dudley-Owen says we have had a report from the Treasurer to all Members that says it is supportable in the short and medium term out of cash flow it is not in the long term and we are not talking about £100 million or £200 million over a five year loan, we are talking above over a 20 or 30 year loan.

1975 I am afraid if Members approved this this is a back door to GST. *(Interjection)* GST will be needed to come in, GST will have to come in to help to pay it back and sustain the payments. We made a decision just a couple of weeks ago that we were going to live within our means and cut our cloth according to our means. Now we are revisiting those decisions, and for a very admirable cause, looking at chucking another £100 million £200 million of debt onto the balance sheet.

1980 I would like P&R, Members, when they stand to give a very straight answer; can this borrowing be fully financed, interest and principle repayment, be done from existing cash flow without the introduction of GST or other significant tax increases to be able to finance it? If the answer is yes, well I will be rather sceptical because of what the Treasurer has told us but I will support this amendment. If the answer is ah well no, we will have to bring in extra taxes then I have to say to everybody who voted against GST you vote for this and you are voting for GST to be introduced next term, or the term after, to be able to finance it unless, just to answer the challenge from Deputy Ferbrache earlier how is SACC going to introduce taxes.

1985 Well obviously SACC is not going to be taxing the rules but certain SACC Members myself have proposed ways of raising revenue, there are other projects such as the wind farm project, which I

1990 still reiterate on the record, can produce more money than GST faster than GST and hopefully the States will be supporting an amendment to the Government Work Plan

Deputy Mahoney: Point of order, sir.

1995 **The Bailiff:** Point of order, Deputy Mahoney.

Deputy Mahoney: Deputy Meerveld is now straying off, so please support something I am hoping to the GWP debate it is nothing to do with this debate whatsoever.

2000 **The Bailiff:** I think that is probably right, Deputy Meerveld, can we concentrate on each of these two amendments.

Deputy Meerveld: Well actually there is a direct link between the Government Work Plan and what we are debating today. The time to be looking at how to raise the funding for Education is not to add additional borrowing without any means of financing it to the budget in this debate. It is when we get to the Government Work Plan debate, which of course was meant to be debated before the budget, when we can look at level one priorities and see what we can change or what we can do in there to reprioritise or shift those priorities to allow Education to be prioritised above other things.

2005 That is the time when we need to be looking at this and there other ways to make money, as I have mentioned, and they will also be coming back but what I cannot support, today, is a motion to go completely against what we have just agreed in the GST debate (*Interjection*) that we were not going to incur, Finance and Investment Plan which I refer to as the GST debate because that is the main element of it.

2010 In that debate we, as an Assembly, very clearly decided that we did not want GST and that we gave a firm direction not to incur excessive amounts of borrowing that cannot be financed through our existing means and to live within our means and cut our cloth according to those means.

2015 All I can say to Members is as much as I would love to give support and guarantee to Education today that they can have the funding, I cannot on the basis I have just given. But I do give this Assembly my assurance I will do everything I possibly can to help Education find the funding when we get to the Government Work Plan debate and going forward beyond that because it is a project that needs to be done, we owe it to our young people, I want to see it happen but I cannot support going back on what we decided just two weeks ago and incurring liabilities for which we do not have the means to service the debt.

2020 Thank you, sir.

2025 **The Bailiff:** Deputy Inder.

Deputy Inder: Sir, Members, Deputy Meerveld started his speech saying that he was fully behind Education and about two sentences later he asked Policy & Resources to respond. He said he could support it with a certain confirmation from Policy & Resources. Towards the end of his speech he told us he could not support in under any circumstance.

2030 Now I have been through one of Deputy Meerveld's [14:21:37](#), no in fact two, one lost me my job the other one got me in front of a scrutiny review and I have also been through one of Deputy Meerveld's great predictions, it happened only yesterday. This whole debate was going to turn into an MONC, a mini MONC, his words not mine. A mini MONC, I have seen nothing of the sort today.

2035 I have seen some very sensible people who are on a different side of an argument yesterday than three weeks ago, probably in part chief amongst them Deputy Kazantseva-Miller who has probably done one of the speeches of her life. But according to Deputy Meerveld this is all about GST. Through you, sir, and to the President of SACC he really needs to take that flag off the back of

2040 his shoulders. This is about Government, this is not about elections, this about the future of our children of Guernsey.

But I will move on to the main proportion of my debate. When Deputy Kazantseva-Miller contacted me initially about this I had some initial concerns and I am just going to remind Members if we draw our minds back to the F&IP plan of three weeks ago there was a piece in that about raising registry fees and charges and I stood up and, this is based on what was the then option 4
2045 was trying to raise of the Ernst & Young report which wanted to raise £16 million to £20 million through the Registry process and I said:

The Committee is looking to review the general administrative charges levied for some of the registry services and is keen to ensure that any increase in fees result in the Guernsey Registry remaining competitive compared to competitor jurisdictions. The Committee is aware of the Registry's role in enabling and supporting the local business economy as well as the important parts of Registry's plans in contributing to general revenue and contributed about £10 million to general revenue in 2022.

2050 That was the context of the last vote three weeks ago and bear in mind it was to raise £16 million to £20 million. We had, as a Committee, legitimate concerns that a message of £16 million to £20 million potentially raised.

Deputy de Sausmarez: Point of correction.

2055 **The Bailiff:** Point of correction, Deputy de Sausmarez.

Deputy Inder: This will be interesting.

2060 **Deputy de Sausmarez:** Well, my point of correction I think I am correct in this is that the fees Deputy Inder is referring to were designed to raise in the region of £10 million.

The Bailiff: Deputy Inder.

2065 **Deputy Inder:** Well, okay. I will carry on. But the point is there was reference to the Ernst & Young report, option 4 said to raise something like £16 million to £20 million. Our legitimate concern, at the time, was that that would be a bit of a shock to the system and the amount of money was across all of the Registry fees, I seem to remember. So that was my initial concern.

2070 Having said that, between Deputy Kazantseva-Miller and Deputy Dudley-Owen and possibly we are going to hear from Deputy Helyar later, this has changed somewhat. We are now looking to raise something in the order of £5 million, probably through the Annual Validation, which is distinctly different to the initial Proposition.

2075 Deputy Kazantseva-Miller has told us that she has done some consultation, the consultation that we did not necessarily have three or four weeks ago. Deputy Helyar I am sure at some point will give some reference to that. So this feels different to what we were doing three or four weeks ago. So, in that regard, looking at the amendment itself it asks for the scope of increasing revenue from the corporate sector through a levy or other measures should be increased from £5 million per annual as approved by the States through the Funding & Investment Plan and raise that to £10 million. It feels somewhat different.

2080 So in that regard I can support this to go into proposals. I had to make a reference to what I said three weeks to what I am saying today. So I am happy for option a) to go into the main propositions for vote for general debate, and of course, b) and c) is very similar I think to, is the same as Amendment 12 which I actually voted for as an option 5 only three weeks ago.

2085 So that is the slight change in my position. So very quickly, sir, and Members of the Assembly I will be supporting 18 and the variation 12 or whatever advice we are given by the Bailiff when we get to the end of this. So I am happy to put this into the main Propositions for general debate later

but I entirely agree with Deputy Kazantseva-Miller, Deputy Haskins and Deputy Dudley-Owen. My view has been fairly simple.

2090 I think we have dealt with housing we have got a plan for housing. We have got a plan for Health and we need that plan for Education. We are in, effectively, a task and finish process we should leave our seats in 18 months time, leaving this Island in a better position than we got her and Education deserves delivering irrespective of what our view of what every model.

2095 What we cannot do and I said it in the last debate, we simply cannot be playing school bingo for the next 10 or 15 years. It may be delicious to the media, it may be delicious in this Assembly but I do not find it funny but to be honest with you I never really did.

Thank you.

The Bailiff: Deputy Ferbrache.

2100 **Deputy Ferbrache:** Sir, I will tell Deputy Meerveld if I may through you how we fund it, just look at the proposals put forward in what I thought was one of the best speeches I have heard in the last few years, Deputy Kazantseva-Miller (**A Member:** Hear, hear.) and she did not just sit back after three weeks, whatever it was three weeks ago, she got in touch with her Education colleagues sat down spoke to Treasury and came up with a constructive solution and look at her arithmetic.

2105 Her arithmetic may be better than mine, I know mine is better than Deputy Trott's, but hers may be better than mine, but in relation to that she said look Annual Validation fees, and they have been the same for a long term the £250 because I have got companies I know that, but they have got to go up. They have simply got to go up. I know other jurisdictions may be cheaper and we may not be competitive but most of those companies, when I say trapped here they have got to put their Validation Certificate in by 1st January and that is going to be an extra, she says, £5 million, I think that is being conservative and I think she said herself that is probably a little conservative, but she is basing it on a conservative figure and I think that is very sensible.

2115 There are some things that are frankly more important than money and education is more important than mere money. I advocated option 3, I advocated GST it was not just GST it was GST with another package but that debate has gone. But if we look at the comments made in relation to the explanatory note in connection with Amendment 12 it tells us this when I turn it up, it tells us that, it is the financial funding which Deputy Meerveld has referred to in part and this is before the amendment put forward by Deputy Kazantseva-Miller. I still cannot pronounce her name right after three years, I very much apologise for that, I am sure she will bear that in mind.

2120 But funding, this amendment would be funded from the authority already in place which allows the use of up to £90 million of the Health Reserve Fund plus the borrowing of up to £200 million if required. The repayment of this borrowing will be funded from the additional £35 million, and it explains how that comes about, agreed as part of the core package. The costs and the repayment of borrowing were already factored in the Scenario 2 model in the F&I plan.

2125 This model is by emphasis affordable in the short to medium term but relies on the future States making decisions on how to return to a sustainable financial position with any new measures ready for information by 2028-29. Just pause there, I am going to read the rest of it in a minute. 2028-29 is the successor of this Assembly not going to grasp the metal and make a decision in three years because it will begin its operation, begin its life on 1st July 2025?

2130 So it has got three full years before 2028-29 comes fully into operation to bring in proposals. It is going to have to bring in proposals, it cannot kick the can down the road any further and it may be because a Deputy who spoke just before Deputy Inder was saying I can bring in wind farm money next year and then when I questioned him sometime after that, well I can bring it in the year after and I can bring in millions and millions and then he alluded to it now that you are never going to have to go back to GST or any package like that. Whether he brings it in or other people bring it in if that is true we do not have a worry, Klondike is here, it will be here in two or three years time and the money will gush in we will have millions. We will all be able to drive new Porsche's (*Laughter*)

rather than second Porsche's, we will not have to eat Co-op caviar we will be able to get the real stuff from wherever it may be (*Laughter*).

2140 But looking at the real world, the real world, we will have to address measures. Now whatever that measure is we are going to have to come up with further packages but you cannot say because we have not got the answer now, because this States has bottled it on a number of occasions, we cannot say now that the next States might not be a bit braver and make some more positive decisions.

2145 But in any event going on and looking at the arithmetic further, this is a note to Amendment 12, the interest on the borrowings estimated at circa £10 million to £11 million a year from 2026 to 2032 with the capital repayment included at £3 million a year from 2027 this debts is based on a 30 year term with repayments totalling £19 million by the end of 2032. Now if we cannot afford to spend on our capital project for Education £19 million a year by 2032 that is a pretty poor bag of chips in my view. £19 million a year in eight or nine years' time should be affordable.

2150 Now I am not going on the basis that we often get an extra £15 million, £18 million, £20 million more than we balanced in relation to our revenue costs because we have still got a structural deficit, it would be irresponsible of me to take that view. But the fact is we have got young people and I now know that Deputy Dudley-Owen was talking about her 50th birthday next year, she did not tell us when so we cannot buy her a card yet, but she been talking about this project being around for 37 years.

2155 We have seen pictures of what Les Coutanchez looks like, it is a disgrace that we are asking our young people to go and be educated in that establishment. It is an absolute (*Interjection*) disgrace. Deputy Aldwell dug out something recently which shows that we have never looked after our education establishments because she dug out something from when John Steventon was Director of Education about 30 years ago. I can remember Mr Steventon because he had two goes at teaching me English, he was not very successful but he was a commendable and good teacher. Then he became a Civil Servant and was Director for Education.

2160 So we have never looked after then and we have got to start looking after then and the only way we can start looking after them is by properly budgeting for maintenance for our education facilities and indeed beyond. We have got to be doing that in connection with all of that. I do not like the borrowing proposals but we have got to do it.

2165 Now we had a proposal, Deputy Dudley-Owen phoned me the weekend before last I think it was and said look why do you not speak to the officers alone, forget us politicians we will take the gloss of it, and speak to the officers alone please from the Senior Education Team that was not her phrase that is my team. So they came and seen Members of P&R the following Tuesday, five very committed professionals. I found it the most poignant, poignant presentation I have had in my time as a States Member, whether going back to 1994 or more recent, it was absolutely poignant.

2170 These professional people were at the end of their tether. The will, of course, do what they are told, they will of course follow any direction they have been given. They were desperate, I felt sorry for them but I feel more sorry for the parents and I particularly feel more, more sorry for the young people that we have let down. We have let them down over the last seven to 10 years.

2175 I saw on one of these media things, you are eating your chips and looking at the telly, and a young lady of about 16 how is going to go to Oxford or Cambridge soon, I cannot remember where. Obviously a bright young person and she was speaking intelligently with more wisdom than I often hear in some other Assemblies (*Laughter*) about the future.

2180 She was saying look the States, these are my words not hers I am précising what she said, successions of the States have really made no decision they have taken the matter no further forward since they decided, Deputy Haskins I think said was 2nd December 2016 I think that is the date he gave us, anyway whatever it was seven years ago, to get rid of selection.

2185 Now I am a great selectionist but that is gone I am not really up for arguing that, but what various Education Departments, Councils, Members, whatever they are called have tried to build since then is some kind of education system to replace what was left in a mess and I think the current lot have done a pretty good job and are doing a pretty good job.

2190 So, I heard those people those professionals and again the figures that are involved. If we wanted to patch things up, because that is what it is it is a point that the proposer of Amendment 18 put forward, we are going to be wasting money because we are going to be spending money on patchwork stuff that we are going to have to do anyway unless we want young people to go in the field and be taught carpentry and all that kinds of stuff.

2195 Also we were told by these professionals that came to see us 10 days ago, nine days ago whatever it was now, that we are at risk, we are at risk of losing by various professional bodies because our facilities are so poor the authorisation for these courses to continue. We may have to send our apprentices to Jersey or England to learn and that is never going to happen because they are not going to travel to go and spend a couple of days learning plumbing or whatever that is not the way it is going to work.

2200 We are not going to be able to teach the people that we need to teach so we can keep our young people educated going forward. We are not going to be able to do that unless we bring forward this expenditure. Not bring it forward, do it now. So I voted for, and it may be inconsistent but I do not care when it comes to a project like this because this is such an important project for the well being of our Island.

2205 We did the right thing for Health because it needed to be done we have got to do the right thing for Education. I am not saying because we did the right thing for Health those who have got Health should vote in favour of Education but they really should because it is for the good of our Island, our young people going forward.

2210 We also had, I think it was Deputy Dudley-Owen, referred to the four not department heads subject heads whatever they are called, who are actually teaching 16-to-18-year olds. We had that letter, we all had it. Again, I found that poignant. They know what they are doing they are not just sitting here uttering loads of words at 200 words a minute or whatever rate I speak at. They are not doing that, they are teaching young people the various subjects that they are doing. They are educating them, they are giving them an opportunity and they are saying we desperately, desperately need it.

2215 We had the letter from the Director of Education not all the long ago or whenever it was. Again a committed professional saying that this is the way that we have got to go forward. I have had people say and I am sure some other people have had people say what are you doing about Education and I feel embarrassed to say we are doing nothing about Education. We are expecting kids, not kids they are young people and people of various ages, we are expecting them to be educated in sub-standard conditions. Do we really want to do that; is money more important than that? I do not think it is because we have got the money the Treasury have told us we are okay for the short to medium term.

2220 If we are okay for the short to medium term, it is like in life sometimes you stop certain problems I will do that in the short term, medium term. You then look over the next three or four years when you have got time for a permanent more sustainable solution. That is what you need and that is what we ought to do. So, I can only say this Committee has got my 100% support, the young people have got my 100% support.

2225 I apologise to them for the mess we have been making of Education now for a long period of time. I apologise to them for the fact that 16, 17 and 18 year olds are having to be educated in sub-standard conditions. People say oh it was alright in my day we were educated in it, I went to Vauvert Infants where there were 40 kids in a class, and the class room is still there. I went to Amherst Junior School where there were 40 kids in a class and the class rooms are still there.

2230 Les Coutanchez is a different concept, they need up to date kit they need up to date premises they need inspiration and also there were five or six, we were told by one of the officers today, key aspects to this particular education policy that need to be grasped to make sure it can go forward. They all need to be grasped and they need to be grasped now if we are ever going to day, and I have got the chance to say it again and I am sure it will cause an inward chuckle from Deputy St Pier, action this day.

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A Member: Thank you.

The Bailiff: Deputy Bury.

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Deputy Bury: Thank you, sir.

I wanted to go as early as possible in this debate. There is often a bit of a tactic about where you go depending on how you are arguing but I am not doing either and I just need some help. So I wanted to get my questions out as early as possible to try and get as many answers as possible.

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We have heard a bit of history and having lived it and still living it as a parent of a child in the second cohort of non selection, which in practical terms to anyone who does not know, means that when I started worrying about this in primary school, not me my child, my child then went to a secondary school that was likely earmarked for closure halfway through his education we decided here that it would be closed and he would have to have left halfway through his GCSE to move to Les Varendes and when he asked me about that I said highly likely there will be some sort of delay and you will end up finishing your education at La Mare, which is where we are now. It is what has come to fruition, but now we have got the added extra that as I understand it if he chooses to go to the sixth form he will do his two years of sixth form at La Mare.

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So my history is not quite as long as Deputy Dudley-Owen's with it but where I find myself is that I do not need to declare an interest anymore because it is too late for my child. It will not be finished and sorted having started to be concerned about it in primary school it will not be finished. So to the chap who was on the radio the other morning worrying about his child who is two, worry away.

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So, I accept the apologies and I think that we have inherited some, we have probably got some to give ourselves here from this Assembly and not to be too inflammatory but I do think that lacking mention of the pause and non review that did contribute to that is convenient. But to where we are today I find myself in a really difficult position ideologically, and when I use that word I do not use it in the way that it is used as an insult nowadays everybody has got ideology of some sort, I have never bought into the model that ESC have proposed.

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I have felt that the 11 to 18 would be preferable but as we have seen it is six of one half a dozen of the other and we could argue it until the cows come home and never reach a conclusion. But, I have not bought into their model in terms of revenue and in terms of educational outcomes and I have been consistent in my voting on that. However, where we are now ideologically or otherwise is awful, we cannot stay here and so I find myself wavering on that ideology in favour of moving forward. *(Interjection)*

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But the situation is a double whammy for me because there is the borrowing as well. Now I was not particularly comfortable with suggesting high levels of borrowing for HSC, however, I agreed with the model so it was a single whammy and as it turned out obviously we went for using savings really over borrowing.

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So this is the double whammy for me, if I agreed with the model I might be able to be swung on the borrowing and this is where I get to my question really. Deputy Ferbrache was touching on it but I am no mathematician, the numbers are not really my area and I listened really intently to Deputy Kazantseva-Miller's speech and Deputy Dudley-Owen's in the funding because as I have said ideologically I am starting to think that is not really where we should be stuck anymore but funding is really important.

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I do not want the questions to sound facetious because they are not but I do not understand how the £45 million that is being discussed in terms of the additional that comes from this amendment and that was agreed a couple of weeks ago, how does £45 million pay back £100 million? That is my question. We are saying that this project is going to cost an extra £100 million on the borrowing and the number that is being bandied around as funding is £45 million.

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I will give way.

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Deputy Kazantseva-Miller: Thank you.

2295 I think it is a very good question, I thought I would raise it right now to try to answer it because I think that is quite critical. We have funded, the decisions that we made three weeks ago are basically decided and funded. The decision that has not been made is in funding the £100 million net additional funding that is required for the Education Programme.

2300 The proposals through Amendment 12 are the additional revenue raising of £5 million annually over the lifetime and this is very crude maths because we do not know at what point the borrowing might be taken, what the interest rate might be, what the lifetime might be so we could not say exactly what the absolute level of borrowing will be but over the lifetime of the assets, which Deputy Haskins says is 60 years, you multiply 60 by £5 million, very crudely, it gives you £180 million over the lifetime of this asset which we need £100 million to fund. So Amendment 18 will fully, over the lifetime of the asset, pay the borrowing, interest repayment, everything.

2305 Thank you.

Deputy Bury: I thank Deputy Kazantseva-Miller very much that is helpful and I will continue to listen to the debate and perhaps Deputy Helyar, I will give way to Deputy Dudley-Owen.

2310 **Deputy Dudley-Owen:** Thank you to Deputy Bury for giving way and I think that Deputy Helyar will handle some of this commentary given his position as Treasury representative he is best placed to be able to answer and be able to comment. However, one thing in my conversations with the Treasury team, who by the way, have been fantastic at supporting us over the last couple of weeks they really have been, is that I took away is that the borrowing is not going to be necessarily for this project.

2315 The borrowing of the £200 million is for the capital portfolio as a whole and the works therein, so it is not necessarily it is just that adding the amount of money into that capital portfolio increasing the value by £100 million or £101 million which is what it is in actual figures not rounded figures, is required for the affordability of the entire portfolio and it is not necessarily one particular project is going to eat up all of that borrowing or part of that borrowing and it will be drawn down, as I said in my speech, as and when it is required over the life of that capital work action.

Deputy Bury: I am grateful for both interventions, thank you.

2325 As I was saying I will continue to listen and hopefully get some similar answers from Deputy Helyar but we will see and that does help on the funding that is one of my biggest questions. I am still stuck, I am not making any promises right now certainly in terms of which way I am going to vote but I did, I suppose I wanted it on the record that I am considering it because as I said where we find ourselves now is impossible, it is impossible.

2330 But my other question really and it is a question into the ether, because I think to Deputy Ferbrache's point we do not have the answer is the children that we are speaking to now very admirably telling them that we want to invest in them and that we do believe in their future, are we able to look them in the eyes and tell them how this is going to affect them as adults in terms of the debt that their country will be carrying and that they will be paying for? I do not think that perhaps our young people are thinking in those long terms right now.

2335 So that was one of the other things I am wrangling with and the other is the question of compromise and the art of the possible. I am considering compromising on the model essentially to get us somewhere. ESC have been firm from the very beginning of the term that there is no wiggle room in this at all. The sixth form, I think, is the real sticking point. I think if we were having this conversation purely about the TGI it would be going across the line (**Several Members:** Hear, hear.) quite easily because I think that even those that are fearful of borrowing really support the TGI and it could swing it. It is the sixth form that is the real sticking point.

2340 And so the art of the possible, do we want all or nothing? Compromises have to be made and I am considering compromising but then that little stubborn streak in me says why doesn't the other person compromise? So, those are the questions I wanted to put out. I also wanted to ask Deputy Dudley-Owen the information that she was providing in her opening speech around the quick

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canvassing recently of teachers and where they are, that was really useful information but I find data like that quite hard to take on.

2350 I wonder if it is possible that she would share the results of that questionnaire with us just so we could have a read and absorb it? I know she has been very keen to provide us with really useful information in the run up to the debate and it is really just for my absorption. I think one of my concerns is, and it has come up quite a lot of times through our various education debates, that while we have heard from some teachers who are supportive it is quite difficult for the teachers that might not be supportive to speak out publically. So we may not have heard from those, particularly if we think about the current situation wherein they are being ring fenced for roles and potentially fighting for positions.

2355 I will give way to Deputy Ferbrache.

Deputy Ferbrache: Grateful.

2360 It is a point that I could not deal with before because Deputy Bury has just raised it and it is a good point she has raised about the sixth form and the costs of that. Now what we were advised, and if I have got any of these figures wrong then I invite the officers to tell somebody who can speak after me, that even if the sixth form stays where it is it is going to cost money. Now that figure is between just under £8 million and about £16 million to do the work necessary to turn it into a better longer term sixth form facility staying where it is. But I think I have also got a figure in my mind, and I invite those who may know more than me, that to do a proper, and I am not saying it is improper where it is, a proper sixth form centre in its present location would cost £22 million because they need this facility, that facility and the other facility.

2365 So, whether we are talking about £7 million, £8 million, £16 million or £22 million, and I appreciate it is a big range between those figures, it is not going to cost nothing. £2 million I think it is but I think Deputy Bury knows what I mean. It is not going to cost nothing to keep the sixth form centre where it is now.

Deputy Bury: Thank you for that intervention. I appreciate that doing nothing never costs nothing. So, that was my final question if it was possible to see just the questions that were posed to teachers and the data just to absorb it a bit more, it is just how I absorb things really because I do think that is a difficulty for some teachers. If they disagree with the model it is tricky for them. I am not saying that anything untoward would happen to them but it is tricky, they are speaking out against their employer and actually the same chap on the radio who was talking about being worried about his two year old said something that alluded to that, I think his wife was a teacher and he had to be careful what he said so he did not get her in trouble. That is not to infer that anyone is up to anything nasty it is just that it is a difficult situation I think to speak out publically against your employers plans.

2380 So that is where I am. Nothing conclusive, I am not one for being lobbied I am one for listening to the answers that are given in debate. I know there will be opposing information. This is a very difficult situation to be in, I am keen to find a way forward but I am keen not to do that by making really big mistakes.

Thank you, sir.

The Bailiff: Deputy Burford.

2390 **Deputy Burford:** Thank you, sir.

This Amendment 12 is, as it says, a second stab at Scenario 2 which for those who can remember three weeks back it was Proposition 5 in the Funding & Investment Plan debate. P&R Scenario 2 started out as the least likely of all the three scenarios presented by Policy & Resources. Most people, including the Members of the Senior Committee, could see the irresponsibility inherent in borrowing a fifth of a billion pounds with no visible means of repaying it. Saddling both our

successors and the next generation with this additional and unfunded debt and I think in truth very few people came into the Assembly last month intending to support Scenario 2.

2400 Yet sometimes in a debate a sudden shift happens in real time. Towards the end of the debate last month Deputy Kazantseva-Miller said that actually there was no financial problem with supporting Scenario 2 with its £200 million of unfunded borrowing as, amongst other things, P&R had accounted for it in their analysis.

The shift in views amongst Members was reinforced in the Treasury.

2405 **Deputy Dudley-Owen:** Point of correction.

The Bailiff: Point of correction, Deputy Dudley-Owen.

2410 **Deputy Dudley-Owen:** I do apologise to Deputy Burford she has just said that it is unfunded borrowing which is actually a factually incorrect assertion.

2415 **Deputy Burford:** I will come to that point in due course. So the shift in views amongst Members was reinforced in the Treasury Lead's summing up when he repeated that the repayments for such borrowing had been accounted for. But, and I simply cannot stress this too strongly, something being accounted for and something being affordable are too hugely entirely different things.

2420 If Members wish to turn to Appendix 3 of the Funding & Investment Plan the repayments for the Scenario 2 borrowing have indeed been accounted for, that is correct. There they are on the penultimate line, new borrowing costs £11 million per year and they are included in the figures. However, when the standard 2% capital allocation is applied to that table, as it must be unless we are suggesting that we are not going to fund any other capital projects for the next decade at least, then it shows that the average annual deficit over the next decade after taking credit for £10 million of savings targets and £25 million of Scenario 1 tax measures, both of which are far from guaranteed, is a £15 million average annual shortfall.

2425 I know full well that reading out a string of figures in a speech can be hard to keep up with so let me put this another way. Yes, the borrowing in Scenario 2 is accounted for but that accounting shows that even in the most highly optimistic scenario, namely raising all the extra Scenario 1 revenue making £10 million of savings, the Ports almost breaking even and a reasonable investment return, this new borrowing will deepen our annual average deficit from an average of £4 million a year over the next decade to an average of £15 million a year.

2430 I am quite sure that if I was to approach a bank and say that I have accounted for the repayments for my proposed £200,000 mortgage and that it was all fine because I would only end up being short of £15,000 a year I would be laughed out of the door. I want the Guernsey Institute as much as the next person but it has to be sustainably funded but the cognitive financial distance affecting this Assembly in the understandable desire to build the Guernsey Institute is frankly astounding and although the difference between spending reserves and borrowing has been highlight in so far as it might affect our credit rating this is, to a large degree, semantics. £100 million is £100 million whichever way we might fund it.

2440 It has been crystal clear for months that if we wanted both the Hospital Project and the Education Project then we needed to vote in substantial funding either by means of GST or another package. Deputy Kazantseva-Miller also said last month that because not all the money would be needed now and it would be spread over several years then that was another reason for agreeing to fund both the Hospital and the school but that roundly ignores the fact that it is robbing from future capital allocations that will be needed to pay for future capital projects and there are no end of those.

2445 On that point the annual deficit I referred to earlier is based on 2% of GDP being spent on capital when the experts we put in place to assess the situation suggest that is inadequate. (**A Member:** Hear, hear.) The proposer and seconder of this Amendment state that:

The repayment of this borrowing would be funded from the additional £35 million, i.e. £25 million of new taxes and £10 million of savings, agreed as part of the core package.???

2450 But these are additional revenues, assuming we manage to achieve them and this morning's debate on transport did not make me confident of that, (*Laughter*) are already spent in order to try and balance the books each year and still there is a small deficit. This simply cannot be spent as second time (**A Member:** Hear, hear.) however attractive that idea might be.

2455 Deputy Dudley-Owen said that we need the facts at our finger tips. These are the hard cold facts in Appendix 3. The core money is needed to bring us towards balance it is not new and surplus money available to be spent. We cannot continue to run an annual cumulative deficit which is what this proposal would ensure. We have to balance the books and the price of not agreeing substantial revenue increases is that we cannot have everything that we want.

2460 There is no getting away from the fact that if we want large capital projects we need to agree adequate and sustainable funding for them, not dive into expensive unfunded borrowing or whittle our reserves down to next to nothing and hope for the best. There was essentially a choice between the Hospital and the school, this Assembly chose the Hospital. It was a clear choice.

2465 As Deputy Gollop reminds us as much as it might be nice to have both you cannot have the penny and bun. (*Laughter*) But do not take my word for it here is what the five members of the Senior Committee had to say in their policy letter about Scenario 2 which is what we are re-debating now:

This Scenario is not financially sustainable.

(*Laughter*) Or if that was not blunt enough or clear enough, how about:

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If the States were to choose Scenario 2 the long term financial position becomes even more pressing.

Or if anyone was still uncertain at the message the Senior Committee was trying to get across the Committee states that under Scenario 2:

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The States would have committed to borrowing with no sustainable way to repay it in the long term.

And frankly, if you take out a long term loan you need a long term repayment plan and yet at the last vote 17 Members sought to put the Assembly into that position. I would urge those Members to reconsider that vote. The price of voting down GST was that we could not afford the Hospital and the school.

2480 Indeed as the Treasury Lead clearly said at a previous presentation to Deputies and in this Assembly we probably cannot afford either but at the very least if Members truly feel that the Transforming Education Project is our priority then we must first rescind the funding for the Hospital.

2485 I accept the complication of the Health Service Fund where that is concerned, but ultimately £90 million of reserves is £90 million of reserves. This Assembly is fairly evenly split on the matter of confidence in the Senior Committee, if after making it clear to the Assembly that Scenario 2, namely the school and the Hospital and £200 million of borrowing, which is the essence of this amendment, is unsustainable then Members of that Committee who are entrusted with the financial mandate of this Assembly now vote for such an unfunded move then there will be no question in my mind that they are unfit for office and a token extra £5 million from corporate which does not cover £100 million of borrowing let alone £200 million will make no difference to my view for reasons I will explain shortly.

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2495 I will just comment on some of the things that have been said in debate so far. Firstly I think anyone who voted against the emissions and buses amendment this morning on the grounds of hypothecation is going to have a difficult time squaring that belief and voting (**Several Members:** Hear, hear!) and voting for Amendment 18 because either both are hypothecation or neither is.

2500 But most of all I have to take strong exception to Deputy Haskins comment when he said that the schools project and the young people who will use it, many States Members do not do not care and it will be on record for all to see. Sir, I object strongly to Deputy Haskins allegation that those Members of this Assembly who do not support these amendments do not care about the children (**A Member:** Hear, year.) and I will give way to Deputy Haskins if he cares to retract it.

Deputy Haskins: Point of correction, sir.

2505 **The Bailiff:** Point of correction, Deputy Haskins.

Deputy Haskins: At no point did I say that Members of this Assembly do not care; I said many Members of this Assembly do care.

2510 **The Bailiff:** Deputy Burford.

Deputy Burford: Well people can take from that the inference that they will. Members will have a variety of reasons for not supporting these amendments mine are financial as explained in this speech. We should also not lose sight of the fact that the Guernsey Institute was approved together with the required £51 million of funding, seems cheap now doesn't it, in 2019 and it was derailed by the Pause and Review requête. Were it not for that it would be operational now (*Interjection*).

2515 Deputy Haskins also told us that the financing of the TEP is very complicated but there is nothing complicated about this at all it is £111 million, although that amount is varied over the course of this Assembly from under £100 million to a peak of £128 million, but the question is simple; can we afford £111 million having failed to agree a package that raises sufficient revenue to address our annual revenue and capital allocation spending? And, the answer as made clear in the Funding & Investment Plan policy letter is a resounding no!

2520 Deputy Ferbrache highlighted the funding note in the amendment which says that interest payments on the borrowing will be £11 million a year from 2026 and that includes £3 million a year in capital. He then said the repayments only total £19 million by 2032 but this is just the capital portion of the loan. At the same time there will be about £46 million of interest payments which cannot be ignored. So the repayment by 2032 will be a total of £65 million not just £19 million. So when the Chief Minister says it is a poor show if we cannot afford £19 million by 2032 that figure is in fact £65 million.

2530 And I am afraid that Deputy Kazantseva-Miller, Deputy Murray late amendment does not realistically bring us any closer. Assuming, and it is an assumption of utterly gargantuan proportions, that we are successful in make £10 million of savings and we raise the other £25 million including by controversial motoring taxes and paid parking and we get this extra £5 million from corporates and the Ports almost break even then taking all that into account we will on average over the next 10 years still, still have an annual deficit of £10 million according to the forecasts in Appendix 3.

2535 I will happily lay a wager now with anyone who wants to take it that we will not see all or anywhere near all of that £40 million because history and the performance of this Assembly tells us that we will not. (**A Member:** Hear, hear.) So we will still be posting a significant annual deficit and as such I cannot responsibly vote for this project until such time as adequate and robust funding is identified to balance the budget and fund the capital portfolio. Please, Members, do not vote for a legacy of 30 years of unsustainable and unfunded debt on the wing and a prayer that the next Assembly will sort it out, there is no guarantee that will happen and it is nothing short of irresponsible to do so.

2540 Thank you. (*Applause*.)

2545 **Several Members:** Hear, hear!

The Bailiff: Deputy Gabriel.

2550 **Deputy Gabriel:** Thank you, sir.

I am in a similar position to Deputy Bury. I have had brief conversations with Deputy Kazantseva-Miller and Deputy Dudley-Owen and I can see all of the benefits at first glance of what they are proposing, but like Deputy Bury I have never been wedded to the model that is front of us now and I feel like I have been driven down a dark alley really and my back is against the wall and a gun is against my head because I feel like the very powerful speech that Deputy Haskins delivered about the children's future, how we must prepare our Island for the future, and I do agree with him certainly but we also must prepare our Island's future if we are going down this road for a life of misery and debt from what I can see.

2555 We are in a must do situation and we are going to borrow anywhere between £100 million and £200 million saddling the Island with debt for the next however many years. I cannot see, I mean I am a simple soul but the £10 million that we are due to recoup from corporate levy and that is an extra £5 million from my understanding, we read in the briefing note that the Treasurer gave us that the cost of repaying that is anywhere between £10 million and £11 million per annum and we have heard in Deputy Kazantseva-Miller's opening speech that the, I understand it, the registration fee is going to be upped at the Registry from £250 to who knows what.

2565 But certainly that is a lot, let's call it £500 say it doubles to £500, that is a lot of £500 or a lot of companies and will that be a flat rate? Will the limited company plumber, for example, with two or three guys on their books be paying exactly the same as a great big optical retailer based in the forest? It does not seem very fair to me on that basis. Will these be recurring? I am assuming so because they are recurring now all the time and will have that every year.

2570 We have heard about competitive risk in previous debates, how is that going to add up as well? Admittedly it is a small amount but will it ever increase? We have already voted down Corporation Tax and an increase in Income Tax because it is uncompetitive. Will some companies that are more mobile, financial services providers perhaps they are more mobile than others that provide fixed asset repairs or whatever, will they move to another jurisdiction and then this revenue will be lost or not achieve what we think it will achieve.

2575 Like Deputy Burford I cannot see as much as we try and I know working in Committee we try to make savings which in effect are service cuts here and there, they are tiny little bits of trimmings, will we ever make the £10 million savings and will we ever achieve all of the other revenue raising measures? I too doubt it.

2580 How then, also, does this affect the structural deficit? If we are going to be saddling ourselves with debt and struggling to repay that, which I can see us certainly struggling to repay that, we are still going to have a structural deficit coming at us which Deputy Helyar tells us all the time five thousand extra retirees in the next few years, I cannot see that this is going to address that either.

2585 So I would really like to hear from Deputy Kazantseva-Miller and Deputy Dudley-Owen in their summing up how this is achievable in the long term. I get it in the explanatory note that this is a short term fix but we are not here for the short term, our children are not here for the short term, our Island is not here for the short term, we have to do something in the long term.

Thank you.

2590 **The Bailiff:** Deputy Aldwell.

Deputy Aldwell: Thank you, sir.

2595 The Fiscal Policy Panel presentation on 3rd October emphasised that we are not spending nearly enough on investment in our infrastructure compared to any other jurisdiction it seems. But others spend 3%, we spend even less than 2% out of our target which is very visible and is abundantly clear when viewing right across our property portfolio.

2600 As a Member of the ESC over the past three years visiting our estate regularly through school committees and usual visits maintenance at first glance was shocking especially in our town schools where there has been neglect and lack of attention for many years. **(A Member:** Hear, hear.)

We are told we have no funds, we must not borrow, and we must not build. We are told we must borrow, we must build or we will be left with managing the decline of our Island. I do not want to just manage the decline of our Island I want to see this Island prosper and for our Island to prosper we must build.

2605 Our post-16 campus, an area which has been neglected for far too long. The ladies college has had investment, Elizabeth College has had a bequest and so invested and when I visited Blanchelande last year it has also had a transformation which was wonderful to see. It is as if the States system has always been the poor relation and this has been the case for generations with previous States Assemblies supporting colleges and making them the priority.

2610 Actually it is a fact that this Assembly, or not this Assembly but an Assembly in here in January 1825, that it was debated that there was a need for a new Elizabeth College to be built and this was facilitated by raising duty on local sold spirits replacing the original idea being by subscription. As Guernsey was a spirit drinking community (*Interjection*) with working men estimated to consume half a pint a day Elizabeth College build had a price ticket of £16,500. The 10 parish schools in comparison shared £805 towards much needed repairs.

2615 July 1947 the States bought Beechwood for Elizabeth College and in 1948 they spent the same again to convert it. In 1949 £10,000 to repairs on the original college building and in 1950 they bought the Grange Club in Upland Road for the College. 1951 for new science labs and they decorated totalling £55,000 as well as continuing subsidies. 1948 the States also voted through to buy Melrose and the Greve for the Ladies College and in 1962 £130,000 to build a new college on the site and gave annual funding.

2620 Whereas the States system in the upper parishes in 1946, St Peter's, St Saviour's, St Andrew's, the Castel, Torteval and the Forest were desperate for a secondary modern. Students had to stay at their primary schools and they were bursting at the seams but had to wait 13 years to have Les Beaucamps secondary because the States have diverted funds to support the colleges in buying properties and it was not until 1959 that the upper parishes had a secondary modern.

2625 It was interesting that States spent on the colleges in 1970 £148,000 which was higher than the States grammar schools which received £144,000 and States funded £200 per pupil at the colleges but only £170 at the secondary modern. The States have always supported the colleges with grants and funding we know at present is to the tune of £3 million per year.

2630 This States' Assembly needs to now prioritise the States education system by supporting Les Ozouets Campus which has been promised for decades. Let us make the young people of the Bailiwick the priority of this States. Les Ozouets has been promised in some form or another since 1986 and when the site was identified as the most suitable location and by every Education Committee since after weighing up every location on the Island and with the previous Committee having started the design process on the site this Committee, in full agreement, took over the plans.

2635 We are 10 years from the last education project at Les Beaucamps High in 2012 and this project is crucial for our economic growth. Les Coutanchez and Delancey show how little this Island has valued in recent year post-16 education and we know Les Ozouets is the enabler to train our workforce on the Island. It is the enabler for our prosperity and it will enable every Member of this Assembly to stand tall and be proud of making a positive contribution to Guernsey's future prosperity by enabling our young people to study together on Island whether they choose vocational, academic or professional studies.

2640 All Deputies have heard in detail from our sixth form teachers in a letter on 2nd November and I am going to repeat a few lines even if they have been spoken in debate already because many in this Assembly it seems to be deaf to our pleas over this term of education. Staff explained how they were saddened and frustrated at the outcomes of the Funding and Investment Plan last month as they felt their voices had not been heard over the noise.

2645 They want a more focused system delivery for each entity of education now that selection no longer exists with different challenges and different solutions required in 11 to 16 and 16 to 18 delivery of education. With different needs and goals they explained they are two very distinct different entities. They went on to say that the sixth form needed to focus fully upon delivering a

quality service to 16 to 18 target audience in terms of policies, system, structure and physical buildings which prioritised their needs and not signed by them.

2655 But, they are realistic and understand that a move to La Mare de Carteret will be necessary but is a move for the benefit of generations to come and one they are willing to make and just to mention that though the life of La Mare de Carteret may be five to seven years it has had an internal upgrade which presents now as light bright and airy including new ceilings and flooring. They stated:

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It is now time for the post-16 institution working alongside colleges from the TGI who, like us, know and understand specific needs of 16 to 18 year olds from a vocational point of view. We are keen to work alongside and collaborate with the TGI to start to building partnerships and developing programmes with industry and professionals on the Island.

Finishing with how incredibly passionate about the power of education the importance of having an engagement listened to an enthusiastic workforce and what happens when this is no longer the case. They urged for stability and certainty and asked Deputies to finally commit to what is best for the 16 to 18 year old Islanders with a decision attracting and retaining outstanding teachers for generations to come. It could be that this Assembly wants our education system to have uncertainty and no stability allowing the colleges to poach our staff, I hope that is not the case.

2665

We have also heard from the Executive Principle of the Guernsey Institute on Sunday about their mission to skill, re-skill and up-skill the people of Guernsey, the creation of the organisation to respond to the needs of individuals and employers providing technical, vocational, professional learning and development providing clear pathways to enable economic prosperity.

2670

The withdrawal of the funding of the Campus will not allow £1 million of revenue savings, not achieve university college status to award and own and our own bespoke degrees and would continue facing challenges of attracting and retaining staff. In April 2019 an external assessor commenting on the College of FE:

2675

The quality of the current teaching and learning spaces which are spread across three sites is poor. They are some of the least fit for purpose most dispersed and uninspiring further education spaces that we have seen in the further education sector. The functionality of the spaces is poor, we assessed that 77% of the spaces are either unusable with constraints or not fit for purpose.???

It goes on to conclude that:

The case for investment for new and replacement facilities is indisputable.

2680

When all is said and done the buildings are an embarrassment to Guernsey as was stated by the Guernsey Building Traders Employment Association and the Executive Principle described them as precocious and fragile. We need to speak about how we would fund the project and how a bond would work and it was explained to me we had a sovereign credit rating and we are able to issue long term debt on the public bond market, similar to other jurisdictions.

2685

The price of our debt will be spread to gilt rates we are advised that are spread will be about 0.75%. So, for example, 30 year gilt rates are currently at about 4.95% so our bond would cost about 5.7% if issued today. Gilt rates tend to track long term inflation expectations therefore as inflation falls so should gilt rates regardless of where the Bank of England base rate is. There is a bench mark size for a public bond which is £250 million, if our total borrowing would be below that amount we would probably be looking at what is called a private placement which works in the same was as a public bond.

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In the modelling we have assumed the rate of 5.5% for this debt and factored in the costs of paying the interest and capital repayment. The way bonds work is that they have bullet repayments at the end of the term rather than a mortgage approach, however, in our modelling we have prudently allowed for an amount to repay the debt enabling us to save up so we have the full amount available for repayment at the end of the term.

2695

2700 The planned approach to borrowing would be built up the debt as projects develop using a revolving credit facility which is effectively a fancy overdraft. These arrangements allow debt to be taken in chunk base on a short term sonia sterling over night index rate. We would use a revolving credit facility to understand what debt we actually have and only pay for what is used and then take out a bond once we have certainty and use the money to pay off the revolving credit facility. This is a prudent and cost effective approach ensuring that you only borrow what is needed.

2705 It very much reminds me, when it was explained to me, about when we built our house. We had the facility to borrow but we only drew down as we reached different stages of the completion. In my manifesto I spoke about necessities over niceties and I truly believe this is a necessity. Deputies have also heard from a young person from the Youth Forum who said:

If the older generation want to help young people to be successful they need to invest in our future. To invest in our future means investing in better post-16 options and I as well as many other young people are in favour of the new campus and truly believe it will change our future.???

2710 Members who attended the presentation by senior officers recently would have gained a clear understanding of how our staff are feeling about the proposals and you have also heard from the Executive Principle of the Guernsey Institute, the sixth form leaders and teachers and our young people who are all desperate for this project to go ahead. Deputies will have the opportunity to explain their reasons for which way they vote to the young people on Saturday 18th at the Youth States Debate here in the Royal Court.

2715 Sir, on Wednesday evening on leaving the Assembly Deputy Falla asked if I was vexed. I said 'no I am not vexed'. He said when he thought of me he thought of the word vexed and I thought is he trying to make me feel uncomfortable and then I thought about it as I drove home and I thought yes I am. I am annoyed, frustrated and worried and by how some Members in this Assembly over the past three years who have done all they can to stop the Transforming of Education Plan which has been passed by this Assembly twice. It has been passed twice and we are still arguing over it.

A quote from John F Kennedy:

Children are the world's most valuable resource and its best hope for the future.???

2725 Today is the day, Members when this Assembly has the opportunity to show our young people that they have finally been prioritised and in doing so you understand that investing in our States' education is the enabler and results in a prioritisation. I am sorry, sir, what I want to say is please vote for this amendment. *(Laughter)*

Thank you.

2730

The Bailiff: I am sure I will but. Deputy Roffey.

Deputy Roffey: Thank you, sir.

2735 I have got nothing written on this amendment at all but I have been bought to my feet because I am actually deeply alarmed at where I think that this community may be heading and our Island may be heading. I am stunned in a way because the one thing I thought right at the beginning of this term is that I did not know what to make of the leadership that we have elected but I was pretty sure it was fiscally conservative and that we were not going to be driven on to the rocks of debt and excessive spending and everything else. Now I am not so sure. **(A Member:** Hear, hear.) In fact I am deeply alarmed.

2740

Deputy Aldwell's speech, I utterly agreed with two thirds of it and completely disagreed with one third of it. I think we are almost having the wrong debate here because Deputy Aldwell has made a speech and so has Deputy Haskins and other about how desperately we needed the new Guernsey Institute and I do not think there is anybody in this Assembly that needs convincing of that. **(Several**

2745

Members: Hear, hear.)

I bow to nobody in feeling that I was on Education when we decided to actually create a Guernsey Institute by brining the College of FE, the Training Agency and the Institute of Health Studies together. I was on ESC when we received that report that Deputy Aldwell has just referred to which was from Peter Marsh Consulting describing the facilities as some of the worst he had ever
2750 seen. I was on ESC when we first started drawing up plans for a new Guernsey Institute on the Les Ozouets Campus and what a shame that that was derailed and it is not operating now.

That is not the question, it is not the question. I believe we should be spending more generally on capital expenditure. When I got the amendment through saying it should not be the 1.5% that the P&R of the time was saying we ought to go for 2% because we had neglected our infrastructure
2755 for too long there was some tut tutting from some saying I was being irresponsible. Now financial experts are saying that actually I was probably not going nearly far enough.

So I want to see more spend on our infrastructure and I want to see this project go ahead. Unlike Deputy Bury that is irrespective of whether there is any compromise or not. During the Finance & Investment Plan I made an impassioned plea for us to change that education plan so there was not
2760 a stand along sixth form college because I do not believe that is in the best interests of the Island but I am just like Deputy Kazantseva-Miller I am a democrat, I lost on that day, I said that was my last chance and I lost it and I will still so keen to see the Les Ozouets Campus go ahead that I put my political capital on the line and I voted yet again for a really allegedly unpopular finance package to raise hundreds of millions of pounds to be able to afford to do 3% of GDP on capital investment,
2765 to be able to afford to do the Les Ozouets Campus. I lost that as well and I am a democrat in respect of that too.

We have to remind ourselves how little we achieved a fortnight ago. Yes, we did the core. So the core is £10 million of savings which P&R themselves I think have said they are only about 60% certain of actually achieving so they were not at all convinced. £10 million more in motoring taxes
2770 which will presumably come back in the last year of this term not that long before an election. Well I have been around long enough to know that that is very much a bird in the bush and not yet a bird in the hand (*Interjection*) and £15 million from the corporate sector.

Now it has been suggested we can have another £5 million from a levy and I say I voted not to debate it not because I think it is an inherently bad idea but because I think that the Rule 24(2) is
2775 there exactly for not bringing in these sort, no chance for employer organisations or industry organisations to lobby and say what the impact of that will be. But let that pass; let us say that is going to be passed so instead of a net £35 million we have at net £40 million which, I think, is really uncertain.

We are talking and acting as if that money is available to service and repay the debt of £200
2780 million of debt for projects that will not in themselves generate any revenue what so ever, that it is available to service that but it is not because all of that and more is needed to tackle our revenue deficit.

P&R have been telling that to us as clear as a bell and Deputy Burford was quite right to quote from the appendix to the last Billet making clear that that was the case. None of this is available for
2785 servicing any new debt. Now, I have always been instinctively opposed to taking on large scale debt for projects that do not generate additional revenue but I had come to the view that we had neglected our infrastructure so much that we were going to have to do that. That is why I was willing to vote for very major fund raising initiatives, like GST, as part of a package in order to be able to do that surely, safely and securely.

I lost and I suspect I am going to get lectured by some people today about the need to go ahead with the Guernsey Institute and think of the children and how dare you be so beastly when I actually
2790 was willing to possibly lose the next election in order to get the finance in place in order to give them the facilities they need from people who just got up and said no, no way I have done a straw poll of the people of Guernsey and they do not really want to pay more tax you know so we are not going to do it and it sticks in my craw to be honest. (*Interjection*) You can probably tell that actually
2795 but yes.

Now, in the earlier tax debate that we had, not the one a couple of weeks ago, but earlier in the year Deputy Mahoney said that if we left this until the next Assembly the need to balance our books, he described that as a hospital pass and I think that is a rugby term, you throw the ball to somebody else they are going to get clobbered (*Laughter*) okay. So now we are talking about we have flunked it so we are going to give the next Assembly the job of balancing the books with £200 million of debt for projects that do not actually generate any income. That is a hospital pass on steroids. (*Interjection*)

Deputy Ferbrache said oh we have just got to do this, we have got to do this but do not worry it is a short term fix the next lot will come up with a way of raising the money. (*Interjection*) That is what the last Assembly said (**A Member:** Hear, hear.) (*Laughter*) and we did not. So, one way or other it is either going to be the next lot quite soon that will be voted in by 2026 they are going to have to come back with ways of balancing the books they are going to have to come back with something probably even more far reaching than we had to tackle because there will be all this unfunded debt to actually cope with as well, and it is unfunded, completely unfunded because the revenue raising we approved in the core is needed to tackle our existing revenue deficit.

Or, more likely, we will be telegraphing now that the next lot are going to have to raise all this money we are going to have an Island wide election, this beauty parade where everybody is going to be pledging not to do it. So we will have incurred £200 million (*Interjection*) of unfunded debt and we will have a new Assembly probably even more determined not to raise taxes than this one. Where are we going? I know where we are going and it is in a handcart. (*Laughter*) I have served in seven Assemblies since 1982, some of them I liked more than others but everyone of them I was convinced was going to have the old Guernsey prudence of not heading for the unsustainable national debt that other communities we have seen around the world have accumulated. I am going to walk out of here tonight, because I think this amendment is going to go through one of them or the other, not at all convinced that we are still on that path. I really do worry.

Deputy Kazantseva-Miller said if this fails today she will not hesitate or will not relax in any way in trying to find a way to make this work and I am with her. I am with her, I want this project to go ahead but not on the basis of the finances that we have here. We need to, I was going to say man up but I will get in trouble, we need to grow the backbone to raise the revenues we need in order to make the fundamental investments like this one and actually a few other ones.

I am quite tempted if this goes through to bring a late amendment saying to add another £2 million to the levy on the corporate sector and build a diary, why not? (*Laughter*) And show by clever arithmetic that over a period of time that that will fund it and then I can think of a few more I guess. (*Interjection*) I am getting encouraged, maybe she is going to second it, I do not know (*Interjection & Laughter*)

But seriously, seriously I really do not like this characterisation that anybody that is going to vote today is really somehow ideologically opposed to the scheme, yes it was not exactly my approved one, or actually does not care about the vocational studies of students. I do, I will back any responsible way forward but we need to stop messing around with £5 million from the corporate sector. I order to do this sort of stuff as well as dealing with the deficit that is coming because of the changing demographics we need to raise a whole quantum more money. (*Interjection: we do*)

At the moment the next time we are due to look at it is in 2026, now if that is too long if we are saying look it is such a national disgrace the way the Guernsey Institute is at the moment in Delancey and other totally substandard buildings they bring that forward. But I have got a horrible feeling that some of the people, not all admittedly some of them will be, but some of the people will be saying we must do the Institute today well still then, stick it if it is just before the election will say no, no we cannot raise that money.

So I am sorry to ESC, I am sorry this is a very big thing and I want to support you but there is something bigger we are heading down a route of financial unsustainability that this Island has never had a reputation for and we are going to gain it. So message to Deputy Bury is I am with you, I want to do it, feel really, guilty, I will come to the Youth States, Deputy Aldwell, and explain why I

cannot do it and explain that I voted for the funding to allow it to happen and that some others did not.

2850 I cannot support this this is much bigger than just education alone. I actually feel guilty that I voted, in a way, for one of the two big projects because I am not sure we really raised enough money for that to be sustainable either. But then to say you may as well be hung for a sheep as a goat and compound it by saying oh it is just another £113 million, cannot do that so sorry if I am being beastly, I am not wanting to be I really do care about our young people, I have been there
2855 and lived this project but we have not got the finance in place. So I cannot support it.

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

2860 I would like to start, sir, it seems quite a long time ago just referring to the opening speeches. I thought they were excellent opening speeches and I have to say that the speech from Deputy Kazantseva-Miller for me was one of the best speeches I have heard in a long time. I think we have heard a very passionate speech from Deputy Roffey and there is a lot in what he says that I obviously agree with and I have said so in the previous debates.

2865 Where I part company with him is he has concentrated, and quite rightly, on the question of borrowing but we are talking about borrowing on the capital projects. He has quite rightly introduced the Hospital Modernisation capital expenditure into that and I find that is quite interesting.

2870 He is warning us and I heed his warnings, I think the whole Assembly heeds those warnings, but we would come away with something we would come away with starting a project on a Hospital and starting the project on Transforming Education and these are facilities that will last us for very many decades to come.

2875 He is absolutely right to warn us around the fiscal pressures we are under and I thank him for that and I also assure him in anything I say from now on I will certainly not deem to lecture Deputy Roffey or anybody else but I also, sir, feel very passionate about matters as well and he has displayed passion in what he has had to say and I have some passion, I think and I hope, in what I am going to say.

2880 For me, sir, the requirements for these two amendments and I am glad we are running them together, sir, it typifies where we are with our political processes (*Applause*), sir, we cannot complete and finish when things get difficult. This is exacerbated by historic failure both this term and last term to come together on fiscal policy and this has hampered our ability to resolve the funding that we need for the capital projects that are before us and I think we have teased out two; the Hospital Modernisation and the Transforming Education Campus.

2885 So, all we have achieved so far is procrastination and inertia and I want to be a bit more humble around that. Deputy Haskins and Deputy Ferbrache have offered their apologies. I was in this Assembly last term and I want to add my apologies for where we are. Sir, in my humble view it is time for us all to take collective responsibility and come out of this important budget debate with something tangible.

2890 It is the responsibility of all of us to resolve the often articulated education debacle of actually two decades. This Assembly at the beginning of this term finally decided to end the damaging impasse of not progressing anything meaningful to take Education forward. This was again poaching the stick in our last debate and we do this don't we with tinkering amendments and that was defeated and the Assembly's decision of September 2021 to support a post-16 campus including the TGI at Les Ozouets rightly remained.

2895 But we have failed to fund it. In my humble view Deputy Kazantseva-Miller has handed us a lifeline which she very well articulated and she very thoroughly explained how actually this can be done and I am asking this Assembly, Deputy Bury who quite rightly has articulated that dilemma, to take that leap of faith. And this is where we as an Assembly need to have some courage.

2900 I am not going to apologise for making it clear how desperate the situation is, how it cannot be allowed to linger. We have received passionate letters from the teaching profession and other professions involved. I am not going to go through them all but other Deputies have mentioned them, we have got passionate letters from the sixth form leaders, the Executive Principle of the Guernsey Institute and we received a very helpful presentation from the professionals, well most of us have.

2905 Also we received a wonderful letter from a student, I think it was yesterday about 4.30 p.m. and I believe that letter has appeared in the *Press*, and she said in the letter and I believe she is speaking on behalf of all the young people of Guernsey. I am not going to read extracts from it all I would ask is if you have not read it I urge Deputies to do so before they vote.

2910 So, sir, on this day today, sir, with all due respect to the variety of heartfelt arguments that have echoed around this Chamber for decades we need to put aside historic debates. Deputy Bury touched on this and I agree with her. Last term I particularly wanted to retain the Grammar School, (*Interjection*) others put forward suggestions of other models but they were defeated by the collective decisions as that time.

2915 In this term, sir, we made a decision and we have recently tested it and we need to finish what we all started. Sir, one point that mysteriously seems to escape us but we talk a lot in Assembly about developing the economy (**A Member:** Hear, hear.) we talk about the lack of housing, key worker accommodation, we talk about the pressure on our limited public services, we talk about pressure on business and Government around recruitment and retention and we need to look off Island to solve our problems.

2920 We wring our hands and point to others but we put our collective heads in the sand and we just cannot get to grips with actually carrying through our decision to transform education. We ignore the advice from those professionals tasked with implementing it and again seek to tinker using our own designs and coloured crayons. (*Laughter*)

2925 As I said in the last debate there are no less than 250 job descriptions which merit an employment licence where we look across the globe to fill them. I welcome all those people that come and fill those jobs they are very, very welcome (**A Member:** Hear, hear.) absolutely welcome. But we are not prepared to invest in our own 16-plus year olds to fill those vacancies this, sir, is nonsensical.

2930 I explained in our last debate round this this is the deal we struck around our Immigration and Population Policy Review when we all agreed the resolutions. We need to keep our young people here, we need to educate them and give them the skills they need to fill the jobs we need here. That, sir, for me is what the Transforming Education Campus must be about. Retain the teachers, develop fit for purpose facilities, invest in the futures of our young people and give them a chance to thrive in their own Island (*Interjection*) if that is what they choose to do. Let us invest in our students. Yes, we will have to borrow.

2935 Let us grow our own plumbers, electricians, construction workers, accountants, nurses, health professionals and a whole lot of other professions. Let them come together and share facilities with those who aspire to go off Island and obtain degree qualifications for those other professions we need. I go back, please read the letter from the student.

2940 Sir, I urge the Assembly please put aside our preferred options and stick to the one we settled on. We must complete this project and start to build for the future of our children and our Island's economy that is what we will be borrowing for, that investment and that investment will reap rewards and that will help our economy and that will help our fiscal situation.

2945 I draw to a close here, sir, what I need to say. Yes the funding model is not straight forward but I believe that it has been ably explained to us by Deputies and our Treasury Lead and our Treasury team and more importantly today by Deputy Dudley-Owen, Deputy Haskin and Deputy Kazantseva-Miller. They have laid that out and I ask this Assembly to listen to this and have some faith in what they have said.

2950 Sir, I will only perhaps touch on one point of detail on this. Deputy Meerveld's speech I thought was very unfortunate and not at all helpful (**A Member:** Hear, hear.) and we have had emails from

the Treasury team. They were specific to these particular amendments and part of that advice from the Treasury team they pointed out two things; one was around the actual timing of any borrowing which would depend on the actual timing of capital spends which were only actually estimates at this stage.

2955 What the Treasury team went on to say, and I think it is important to explain to Members that the whole capital portfolio if it includes the Hospital Phase 2 and the Transforming of Education Project requires £200 million of borrowing which is in the F&I Plan. The borrowing is not for a specific project. The model already agreed by the States following the F&I Plan was a capital portfolio of £340 million which we have estimated we will need to borrow an additional £100 million
2960 in addition to the Health Service Reserve.

I think that is what I would ask Members to concentrate on. No way has the Treasury in this part of the debate suggested that the progressive package is needed to fund that. That suggestion that was made by Deputy Meerveld is just not evidenced. That may well be his opinion but that is not the evidence.

2965 On just one point I need to make it is just to clarify something I said in an earlier speech which Deputy Burford has, I think, rather unkindly thrown in around hypothecation. Where I was worried about hypothecation was in a very limited specific situation around revenue where building a budget the answer was to suggest a form of taxation and then to ring fence that for a specific offset in a budget, that is what I was referring to. I do not think anybody in this Assembly misunderstood
2970 what I was saying.

If you are talking about this particular project, if you are trying to make some sort of comparison I think that is totally unfair because what we are talking about and what Deputy Kazantseva-Miller has outlined is how in the round with the additional taxation that we already agreed to and Deputy St Pier very helpfully earlier in this debate has gone through and outlined, that all the extra revenue
2975 that will be collected and any borrowing that arises out of this will be controlled by the Treasury through the Government Work Plan.

So, I think that was a little bit mischievous to try and draw that parallel. This is about a funding arrangement which is properly thought through by the Treasury team where advice has been given around the specific amendments which I believe are very important and I am so pleased that we
2980 are able to discuss them. So, sir, that is where I am coming from and I urge every Member of this Assembly to vote for both these amendments.

Thank you, sir.

The Bailiff: I need to call Deputy Murray next on the basis that he is seconding Amendment 18.
2985 Deputy Murray.

Deputy Murray: Thank you very much, sir.

I am conscious that we have to keep speeches to the content of these amendments and I will endeavour to do so which includes, in my opinion, considering some of the costs of them not
2990 succeeding but I think that his a good segway to try to answer one of the questions that Deputy Bury raised and I admire her honesty in explaining her circumstances and her thought processes.

Quite rightly as a parent she is concerned about what the future might hold and the circumstances that we find ourselves in and the difficulty is nowhere because we are in a situation at the moment by not funding the whole TEP programme there is no money for anything and we
2995 are into transition unfortunately, that means people are actually in the process of moving from one setting to another setting and the difficulty is if you continue with that they will not fit and without any funding to build anything anywhere that presents a huge problem.

So we are in this no man's land whereby we cannot go forwards and we cannot go backwards. That presents huge problems obviously for the whole of the educational estate as to how you deal
3000 with that. So that is not a very promising prospect and I do understand her concern in that regards and before I move on, sir, there is one other thing that I do really need to address because it has been raised several times by Deputy Burford.

3005 This issue that for some reason the Pause and Review that we inherited put a stop to the progress
on the TGI estate and that it would have been built by now. I am sorry that is absolutely incorrect.
When we actually took position when I was still on ESC in October there was not even an architect
appointed to that particular job. There was no design, none what so ever and it was the first thing
that the people working on the TGI came and asked us for, was the permission to go out to find an
architect which is what we actually approved there and then and that continued. So there was no
3010 hold up in terms of actually delivering that project it was not at a point where it could continue
anyway. So I just want to put that on the record.

But let me get back to these amendments. I wanted to actually talk a little bit about what Deputy
Ferbrache just mentioned a little earlier because our concern as P&R was to try to understand and
in some respects to answer some of the questions that Deputy Bury actually put forward, what this
now meant from an operational perspective. So we did invite in, as Deputy Ferbrache mentioned,
3015 just the officers from the Senior Leadership Team on the whole TEP programme and as Deputy
Ferbrache has mentioned they were indeed very stoic but clearly demoralised and as he says there
were no political Members of ESC in attendance we wanted to hear specifically from the operational
staff directly.

Now they explained the predicament that they were now in given the outcome of the F&IP
3020 debate and as I have said before essentially there were in a sort of limbo position in which they
could not move backwards and they could not move forwards, in mid transition. Now without any
funding to complete the movement of students between settings across the secondary estate and
an inability to bring the three components of the Guernsey Institute together which has been a
complex project that has been actively worked on for nearly four years. It was a sobering meeting.

3025 Now, sir, at several times during the F&IP debate, which has been mentioned several times here,
several Members admonished the Assembly for not listening to the views of Islander's so I have
been doing exactly that to improve my understanding of how the community feels about the
defunding of TEP and their thoughts on this contentious issue of borrowing.

3030 So, last week as an indicator of the views of industry I listened to an interview with the Chairman
of the Local Construction Forum on Radio Guernsey. He was particularly concerned about the plight
of apprentices going forwards in the light of the news about the defunding of the campus and so
he should be. Apprentices are an investment in the future of many businesses indeed in several
industries.

3035 Now in yesterday's *Guernsey Press*, and this has been mentioned several times but I am going
to make some quotes there, there was this article about a post-16 student referred to already by
Deputy Kazantseva-Miller, Deputy Dudley-Owen and many others who has also written to all of us.
Who in her capacity as a Member of our Youth States, our future, was calling for action to improve
our educational offering, she said, and I am going to quote:

This does not mean looking at short term ways to provide for the mediocre education I am currently receiving. This
means using the resourcing and funding we have to make the best education system we can.???

3040 And she went on to say that two years ago she attended a meeting at the Performing Arts Centre
about the new post 16-campus. As a youth body they had been amazed at how they were going to
achieve a truly amazing education to boost their future options. This would have been the same
video rendition that many of the Assembly would likely have seen in the library of a walk-through
3045 of all the buildings planned for Les Ozouets Campus during a recent meeting. Now I will return to
Islander's views in just a moment.

Now, sir, a little later this month that has been already raised we will debate the GWP and one
of the three central planks of its refocus is to address our economic competitiveness. Within the
specific initiatives highlight is our skills strategy, again highlighted by Deputy Kazantseva-Miller, a
3050 multi million pound investment into our Islands future economy a significant enabler.

The campus is intended to be central to the delivery of that strategy providing a comprehensive
facility for not just our younger post-16 students but for our Island workers across the piste to up-

skill and re-skill to meet the increasing changes of a very fast changing world, or not, unless we can find a means of satisfying this Assembly that we could fund the necessary borrowing.

3055 Sir, the amendments before us together can do that. During the F&IP debate by a very respectable majority this Assembly reaffirmed their support for the whole TEP programme but there were competing priorities across our capex portfolio and I do understand that despite the proposed funding that Members eventually supported in the core proposals being designed to be adequate for the necessary borrowing it was perceived as challenging and needing a conservative approach
3060 but as we have heard it was designed for Scenario 2 originally and by the addition of this further proposed levy in Amendment 18 there is more than enough support to support borrowing for the Transforming Education Programme.

Now, sir, back to the views of Islanders. I made mention earlier of the article in yesterday's Guernsey Press but in addition to that there was also a full page from one of their regular
3065 contributors under the title 'Has Guernsey Given Up?' (**A Member:** Yes.) To quote from that article, paraphrasing to a certain extent and it feels like Guernsey has done right now, given up.

I have been trying for weeks to succinctly express what it feels like living here at this time watching and reading about a series of projects being put on hold and the writer goes on to say:

Being afraid to borrow for capital expenditure also sends alarm bells ringing for me.???

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And further on:

Borrowing is an essential tool and we need to be brave enough to explain that to those who insist it is not, it is a way of spreading the costs of buildings over their lifetimes and it gets more done, more quickly enabling business to grow and public services to be more efficient.

Very sensible. Now Deputy Aldwell explained very well how the States can stagger such
3075 borrowing to use only as needed over time not as a big bang which as it happens is what our much mentioned bond actually was but only because at that time it was very cheap indeed to do so and for the future needs perceived at that time was the right and brave thing to do. (**A Member:** Hear, hear.)

But as we have been reminded across several debates we should only contemplate borrowing if
3080 there is associated income that is prudent. But let us draw a comparison here because income in a Government context has many meanings. For example, Phase 2 of the Hospital Modernisation Programme, which we have supported albeit with the use of most of the Health Reserve, does have the potential for extra income by encouraging greater use by private patients. However, in reality it will only assist in offsetting some of the additional costs of the considerable resourcing the larger facility will require.
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Nor will it provide for the necessary housing costs which HSC are already in desperate need for let alone the additional housing that nearly 200 more staff will certainly require. But, the TEP programme actually will help towards that by releasing the aging Coutanchez site which represents about 30% of the very substantially larger La Ronde planned development for many houses.

3090 There is considerable value in that to Government strategically and in monetary terms. It is also the case that the already identified revenue savings resulting from the campus will provide additional benefits not realisable elsewhere. That has particular relevance to that core package of measures the Assembly agreed in the F&IP because those savings on TEP were part of the overall £10 million projected to be saved over five years that is quite important, over five years. Treasury mapped a very conservative approach to the savings that actually we have been directed to find
3095 which actually is £16 million not the £10 million that they have actually planned for.

Now Deputy Trott has drawn attention to the technicality of income adding to our revenue surplus but if revenue costs are permanently reduced the opportunity to improve that surplus is certainly increased all things being equal. Now I would never go head to head on technical financial
3100 matters with Deputy Trott because, and to borrow an analogy from Deputy Soulsby, beneath that appealing bonny demeanour of Deputy Trott lies the beating heart of a free market capitalist.

(*Laughter*) (**Deputy Trott:** Hear, hear.) Now I know he will take that as a compliment (*Laughter*) but there are more benefits than campus releases more difficult to quantify perhaps but none the less real. For instance returning to that student I quoted before and I may say with considerable insight:

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I am fully aware that my family as well many others will either be in debt due to the costs of university or will not be able to afford it. This is ludicrous, why when given an option to provide a high quality education which includes further education on Guernsey is funding not provided? Implementing a new campus would significantly benefit the youth of Guernsey, put more families in a better economic state and keep people in Guernsey. There is value in there.???

And she is exactly right, because in bringing the Institute of Health and GTA together in one place with the College of Further Education as Deputy Ferbrache touched upon we are enabling access to the existing status already conferred upon those two organisation to issue degrees including currently for nursing and now entry level teaching and what had been a planned sports degree also but that degree cannot now be delivered locally because you have to have satisfactory facilities as part of being considered a suitable setting for issuing degrees for further and higher education and that is a major problem right now. Why? Because the College of FE is actually undergoing an OFSTED inspection in dilapidated buildings, just battered by last week's storm which had to be temporarily closed due to even more flooding caused by the already failing roofing.

So, sir, when we talk about income resulting from borrowing in a Government context it is indeed multi faceted but without doubt TEP ticks a number of those boxes. But to conclude, what we now have across both of these amendments is firstly confirmation that the original funding agreed in the F&IP is capable of servicing the increased borrowing for TEP. Secondly, that we now have the prospect of an entirely separate source of additional funding for the reasons eloquently outlined by Deputy Kazantseva-Miller. And thirdly we can, as a consequence deliver a range of financial benefits that will considerably augment Government revenues whilst saving money for families and provide access to new homes to; our single most important objective.

But finally, sir, what I want to come back to and to make very clear is the quantum cost involved if we do not proceed. It runs to tens of millions of pounds and that is not including the additional revenue costs. Let me say that again, tens of millions containing nugatory costs that will not be recovered. Not supporting these amendments is not a zero sum gain and it gets much more expensive the longer we have to maintain buildings that will require increasing investment. I would therefore encourage the Assembly to please consider supporting both these amendments to permit the Transforming Education Programme to continue.

Thank you, sir.

The Bailiff: Deputy St Pier.

3135 **Deputy St Pier:** Thank you, sir.

Sir, 11 and a half years ago I entered this Assembly has a fiscal hawk. I decided to stand for election at the time that Deputy Parkinson decided to make a public announcement that he was not going to seek re-election in 2012 and I thought somebody needed to do that role. At the time the States was running a deficit following the introduction of Zero-10, a structural deficit that was understood and planned for that was going to be funded over a number of years from what was then called the 'rainy day fund' but has subsequently been renamed the Core Investment Reserve.

As I said I do not feel I have changed my position in that 11 and a half years but I think everything around me has been moving and over that initial period I think I was firmly regarded by colleagues at that time in this Assembly as a fiscal hawk seeking to address the fiscal deficit we had at that time. In taking the inherited financial transformation programme to deliver most of what it had aimed to do, not all of it £28.5 million out of £32 million, some tax increases including the extension of Zero-10 from banking profits eventually to all regulated financial services and some other tax raises and of course spending restraint and returning the States to surpluses in 2018 and 2019.

Then we enter this political term, sir, and I feel that we have, and I have used this term before, somehow fallen through the looking glass because never has there been such a massive mismatch

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between the rhetoric and the delivery. All of those who promised spending and tax restraint are now frankly letting rip and that has now extended to an unfunded borrowing programme.

3155 So we have moved from a period when borrowing was going to be, had to have a secure income stream. Deputy Parkinson and I have been chatting about this only today how he struggled in 2008, in fact failed, in 2008 and 2009 to get any support for borrowing. In 2013 and 2014 I did say, but only with the most serious constraints put on Treasury & Resources by the Assembly at the time including having a secure income stream and a bond reserve put aside to fund the future capital repayment. All of which has been swept away in this particular term. We are now instead of
3160 borrowing with a secure income stream we are now talking about borrowing replaced with the hope that one day our future successors might find a way to fund it. That in essence is the position that we have now found ourselves in.

3165 So, I just want to remind Members what Policy & Resources themselves have told us through the Financial & Investment Plan in particular the issues around the viability of funding Scenario 2 which is in essence what we are talking about. Again, it is worth starting here by reminding us what the Treasurer has told us and has been prayed in aid of the amendments that we have today, which is:

Scenario 1 and 2 are affordable in the short and medium term.???

3170 That in essence is what Deputy Ferbrache has said to us today.

However, they are not sustainable in the longer term.

3175 So let us now turn to the F&IP, Section 16 Sensitivity Analysis. First thing we are told in paragraph 16.1 is medium to long term financial projections are inherently difficult to predict accurately especially where there are many variables and key drivers of a subject to change. So that is a pretty important caveat right there up front about looking beyond the short term into the medium and longer term.

Although every effort has been made to formulate and produce valid assumption at the drive as accurate projections as possible it is essential for sound financial planning that a range of possible outcomes is considered.???

3180 So, we then look at worst and best case scenarios for Scenarios 1, 2 and 3, best and worst cases; paragraphs 16.12 and 16.13. So the worst case assumes the following changes from the middle case; Income Tax is reduced by 1.5%, that is not very much, Customs Duties reduce by 2.5%, Document Duty reduces by 10% well we have already effectively had that in the last couple of years with the reduction in transactions in the property market. Committee budgets increase by 2.5% that is not very much we have already seen that in recent years. 2023 budget savings reduced by 33%
3185 we have seen how woeful we are at delivering savings during this term. States trading assets cost so general revenue increases by 50%, GWP priorities costing an additional 20% per annum, IT resilience costs increase by 40%, annual savings in additional to baseline 2023 budget savings stripped out and assumed at zero and that, of course, Deputy Roffey referred to that, the assumption is a 60% possible hit rate which would be £6 million rather than £10 million the worst
3190 case assumes zero. Annual budget income measures reduced by 50%, instead of a million it would only be £500,000 and net income of the tax package reduces by just 20%.

3195 So those are the worst case assumptions so those are the downside risks that we need to take into account in thinking about the affordability of what we are about to embark on. Paragraph 16.22; why the worst case scenarios may not all happen at the same time, that is a reasonable thing to say, this demonstrates the lack of financial resilience in Scenarios 1 and 2 compared to Scenario 3, i.e. without significant additional tax raising, exactly what P&R told us during that debate. Then 16.23; critically interest payments on the proposed borrowing could not be afforded under this worst case scenario (*Interjection*) reserves would be depleted by the end of 2029 and the States would very quickly have to develop a strategy to markedly improve the financial position.

3200 So that is what we are talking about in terms of the affect of the amendments which we are faced with today. Now nothing absolutely nothing has changed in the two weeks since the States voted on this matter a couple of weeks ago and the only reason it happens to be back here, of course, is that the budget happens to be quite timely following that debate and provides an opportunity to reopen the matter.

3205 However, what it would be in normal times in past Assemblies, what would have been the appropriate response, what would have happened, what should happen? That would have been for Education, Sport & Culture to go off into a huddle with P&R and return with alternative proposals. That is not what we have in front of us.

3210 Amendment 18 with a proposed increase of a £5 million levy, I should remind you of course that P&R opposed that part of option d) under the Fairer Alternative Tax Amendment, they said it was undeliverable that it was too much, that the advice from all the experts Ernst & Young there was a long quote from Deputy Murray on Hansard about how Deputy Soulsby and I appeared to be questioning the competence of Ernst & Young and how Ernst & Young could and perhaps might feel slighted that we were doing so by suggesting the numbers that were available to us.

3215 So, I am afraid Deputy Kazantseva-Miller's offer of an addition £5 million simply does not touch the sides in terms of the long term financial sustainability that is necessary and needed and is set out by P&R themselves in paragraph 16 and elsewhere in the Finance & Investment Plan in terms of the risks and the sustainability of this. All of this we already know, all of this P&R themselves have already told us and nothing has changed in the last couple of weeks.

3220 So Deputy Burford said that this is a wing and a prayer that in essence we would be going into this with a wing and a prayer. I have to say I feel it feels slightly different to me, to me it feels like a scorched earth approach which is to, in essence, trash the house and burn it down and really leave it to the next States to have to sort out the mess that they will inherit on the basis that well we tried, we tried several times, we told them that they needed a goods and services tax, they would not accept it, we needed to carry on and do what things we needed to do, over to you your problem get on with it and that is what it is, it is the scorched earth approach.

3225 It is untenable it is unsustainable for all the reasons that P&R have told us, for all the reasons that Deputy Roffey has told us. This is not the right response to the situation which the Assembly handed Policy & Resources and Education Sport & Culture a couple of weeks ago, it is the wrong approach and for those reasons I cannot support and I will not support either Amendment, sir.

3230 **The Bailiff:** Deputy Dyke.

Deputy Dyke: Thank you, sir.

3235 After the haranguing from Deputy Roffey on fiscal responsibility in my left ear I feel I am going death and I have lost my train of thought, so I will try and be brief. I thank Deputy Dudley-Owen for bringing the amendment and Deputy Kazantseva-Miller for her supplement to it. I will not talk about all the benefits of the educational programme the whole history, I think, of our education system for the last several States has really been terrible.

3240 I am one of those people who was distraught at the loss of our grammar school. The last States we have been through the two school model now we are on the three school model and the current Education Committee is trying to do its best to come forward with a programme. Now, where are we?

3245 They came forward with a programme, their plans were put together in great detail and we have paid for that. The plans have come to the Planning Department, they have been approved. A few months ago, a little longer than that, they were about to sign the contract to build it. Unfortunately our chosen contractor went bust a couple of days ahead of the contract being signed. So had that not happened, that rather random event, we would be proceeding as planned with this proposal.

3250 Now, where are we? As I say we have spent a lot, the proposal itself as amended with the reduction of the contingency is for £101 million, not £200 million that is a different figure. So, we are talking about £101 million that we either agree to carry on and spend it or we do not. If we do

not we are left with very, very sub-optimal facilities. We will still be spending tens of millions of pounds on the parts of what will be the institute where they are. There will be a huge amount of money to spend on the old grammar school site if we are to put La Mare de Carteret School in there.

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We will end up with a series of bodged additions added on a highly crowded school and that was one of the points from going from a two school model to a three school model was avoiding that crowding. So, we will not save £100 million we will save, I do not know, possibly half of that, a bit more but we will be chucking away pushing £50 million in addition to what we have already spent. We will be on the way to doing as well as Jersey have done with their hospital where they seem to have £1 billion hospital and they have spent £100 million thinking about it and then not doing it. We are not quite as bad as that, thank goodness.

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So, this is where we are and I just feel we have no option at this point but to proceed with the project and Deputy Dudley-Owen, Deputy Aldwell and Deputy Murray have explained the benefits of doing it. There are within that serious economic benefits for the Island in terms of improving the education we can give our children here so that they have got the option of a good education here at sixth form level and that that good option at sixth form applies generally and not just to children whose parents can afford to send them to the colleges. So you have got a plan, some options for everyone to avoid the necessity and expense of going up to some of the English universities, many of which produce very sub-optimal courses indeed.

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I think we are at a position where it is too late to stop even if we wanted to it, it would be an extremely bad idea to stop now, so we now have this £101 million to fund. We do have considerable reserves I know that Deputy Helyar is very reluctant to run down those reserves very much because of fears from the rating agencies but I just wonder how much we have to worry about the rating agencies, to be honest, they themselves do not have a great reputation, anyone who has read *The Big Short* by Michael Lewis will know just how good and well respected the rating agencies actually are. *(Laughter)*

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So, there is that point. We do have some reserves we can use we have already agreed that £90 million is coming out of the Health Reserve to go to the Hospital. So, what we are looking at here is an extra £100 million to spend over a number of years and all these projects are going to have to be sequenced. They do not come with a cash demand up front, these cash demands will come over years, a number of years as the project proceeds and P&R are going to have to preside over making decisions as to how they proceed precisely.

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If you say that this extra £100 million has to be borrowed the interest on it will be roughly £5 million a year which is roughly what Deputy Kazantseva-Miller's supplemental amendment tries to provide for. Under the circumstances I think we should proceed. Borrowing for capital investment is not a bad thing to do, all of our young people when they set out in life and get married and try and start their families they set off, usually, if they buy a house with a mortgage with very little in the way of assets, very little in the way of reserves, every penny goes into the deposit for the house and then they have a bit debt in the way of a mortgage.

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Deputy Trott: Sir, there is a point of correction.

The Bailiff: Point of correction, Deputy Trott.

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Deputy Trott: I was hoping to attract Deputy Dyke's attention.

Deputy Dyke: I am sorry.

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Deputy Trott: But I was not able to get it, so it is a genuine point of correction as I am sure he will appreciate. The amendment, I forget which one it is it may be 18, not it is 12, the Amendment 12 makes clear that the interest on the borrowing is estimated at circa £10 million to £11 million from 2026. So, I am sure it was not intentional because Deputy Dyke is not that sort of Member but

3305 he was misleading the States by suggesting it was a measly £5 million. I think where he was getting confused is the extra revenue raising is a measly £5 million to cover what is an £11 million worth minimum of £11 million pounds worth of interest.

Thank you, sir.

The Bailiff: Deputy Dyke.

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Deputy Dyke: I thank Deputy Trott, but I was neither misleading or confused. I am talking about the borrowing that we have to address in respect of the Education Project, that is £100 million not £200 million, so 5% of that is roughly £5 million a year that is where I think a lot of States Members have been confusing the two figures. The Education figure is £101 million having adjusted the contingency, so that is what I am talking about.

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So the interest rate on that is roughly 5% and that is where Deputy Kazantseva-Miller's additional suggestion in her amendment tries to cover it. So, under the circumstances I am happy to proceed with these combined Amendments 12 and 18. I honestly do not see we have got a choice, we will be chucking so much money away if we do not do it (**A Member:** Hear, hear.) and just on that point alone I think it is important that we proceed with this.

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I am not a big spending guy, I am like Deputy Roffey, I do not want to spend, spend and I (*Interjection*) am a fiscal hawk but I am also a spending hawk and I do not like spending other people's money but in this circumstance it is a major capital project with major benefits and I think we can justify proceeding with it giving where we are now and I think anything else is totally irresponsible to be honest.

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Thank you.

The Bailiff: Deputy Cameron.

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Deputy Cameron: Thank you, sir.

The proposed model of Education in the Transforming Education Programme carries a significant financial burden both in terms of revenue and capital when compared to maintaining the sixth form in its current location. To Deputy Ferbrache's point, the space required to make a sixth form a standalone school is estimated at around 450 square metres, the void in the former swimming pool is capable of housing this. With a mezzanine level it would be close to double that amount. This space is already wind and water tight.

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Building an additional 10 small classrooms with this space could be carried out by one of dozens of local building contractors easing the pressure capacity of our one and one large contractor. Limited modelling has been applied to this conversion, if we use the price accepted by the States Quantity Surveyor of £1,479 per square metre, the price for making the sixth form centre standalone would equate to £700,000. That is less than the revenue costs of moving a sixth form to La Mare de Carteret for two years and that is before we factor in the revenue costs of keeping the existing sixth form empty.

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An example of the increased revenue under the proposed model is that teachers would spend significantly more time commuting between sites than they currently do. Deputy Dudley-Owen mentions the email we received recently from just four teachers from the sixth form centre who supported the proposed model, of those teachers only one of them teaches sixth form.

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Deputy Murray: Point of order, sir.

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The Bailiff: Point of order,

Deputy Murray: We are not actually addressing the amendments here, sir. We are not actually talking to the model which actually has been agreed and was dealt with in the last F&IP. (**Sever**

3355 **Members:** Hear, hear.) We are trying to talk about how we fund the model that we currently now have.

The Bailiff: I think that is a fair comment, Deputy Cameron that the debate at the moment is on these two Amendments 12 and 18 although some Members might have spoken more broadly about the Education Model we do want to concentrate on the funding proposals contained in each of these amendments please.

3360 **Deputy Cameron:** But surely, sir, if we are looking at, others speakers have spoken of the teachers who support this model of education and surely we need to know about the teachers who are opposing it?

The Bailiff: But, Deputy Cameron, I have just explained that it is valid point of order that has been raised by Deputy Murray about the relevance to these amendments and I am inviting you to address the amendments.

3370 **Deputy Cameron:** Sir, of the four teachers that have actually written into us about this actual amendment just three of those teachers would be travelling from site to site during the school day; just eight teachers teach solely at the sixth form centre, 56 teachers teach both at 11 to 16 and the sixth form.

3375 **Deputy Dudley-Owen:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Dudley-Owen.

3380 **Deputy Dudley-Owen:** I do apologise, I am fearful that Deputy Cameron is misleading the Assembly. I am not entirely sure how he, with any 100% certainty could make such assertion about staff members individually who have been named on that particular letter what their future roles will be and what their travel time timetable or whatever will be in any future organisation. So I do feel that he is misleading the Assembly.

3385 **The Bailiff:** Well, I am not sure that he can be misleading the Assembly on what he is saying, recounting what he has been told by somebody else. So, Deputy Cameron.

3390 **Deputy Cameron:** During the school day 56 teachers would be behind the wheel of a car instead of in front of our children teaching.

Deputy Inder: Point of. I am sorry to pursue this, sir, I understand.

3395 **The Bailiff:** Deputy Inder.

Deputy Inder: Sir.

The Bailiff: Wait to be called.

3400 **Deputy Inder:** Okay.

The Bailiff: Deputy Inder, is it a point of order?

3405 **Deputy Inder:** I believe it is because it is the same point of order Deputy Murray made before and you gave clear direction to speak to the amendment. This sounds very much like a rehash of

the amendment that came three weeks ago and I am absolutely certain I have heard this speech before. This is not speaking to the amendment, sir, is my contention.

3410 **The Bailiff:** Whether this speech has been heard before or not does not make it a valid point of order because the number of times, when I am sitting here, and I hear people say exactly what they said (*Laughter*) in a previous debate (**A Member:** Hear, hear.) if I had a pound for each I would be as rich as some of the Members. (*Laughter*) So the point Deputy Cameron is these are two amendments to insert propositions which may, if inserted, then lead to a general debate.

3415 On these two amendments there are slightly different funding models and they are all to support agreeing that the completion of the Transforming Education Programme should be undertaken and this is really all that is in issue at the moment in relation to whether these amendments should be carried and that additional propositions, whether it is one or two propositions or neither, be inserted and that is really what I am encouraging you to concentrate on please.

3420 **Deputy Cameron:** Okay, sir. I give way to Deputy Trott.

3425 **Deputy Trott:** Sir, I want to ask Deputy Cameron if he would agree with me that in a debate that has featured savings that will have an effect on the revenue surplus or deficit which would be used to fund the interest payments that such a huge amount of debt will require it is entirely appropriate that Deputy Cameron speak to waste, inefficiency and the potential savings that what he is speaking to could procure?

Deputy Cameron: Thank you, Deputy Trott, I do agree.

3430 **Deputy Dudley-Owen:** Point of correction, sir.

The Bailiff: Who are you trying to correct, Deputy Dudley-Owen. (*Laughter*)

3435 **Deputy Dudley-Owen:** I am trying to correct Deputy Cameron because what with the interjections previously I was unable to do it but he made.

3440 **The Bailiff:** Deputy Dudley-Owen, the last person to speak was Deputy Trott; Deputy Cameron has not resumed speaking after the point of correction. You cannot correct something that has already been said subsequently when you have already stood up and made a point of correction that has been dealt with. Deputy Cameron to continue please. Members you are wasting your time at the moment, please concentrate on what needs to be discussed about these two amendments. Deputy Cameron to continue please.

3445 **Deputy Cameron:** Can we expect better outcomes when we make a teacher travel between sites instead of being in front of her class? We also heard from just one student in favour of the proposed model just one voice amongst 2,500 students. Deputy Dudley-Owen mentioned that the recent staff survey results, as with many previous States' surveys the results are unreliable. The results were not staff specific any staff member could complete the survey on multiple devices so allowing multiple survey results from one member of staff. I am not saying that happened but surely we should be relying on surveys that have greater reliability than this.

3450 Another problem with this survey is that we are unable to break down the results by 11 to 16 school teachers or sixth form teachers but even if these results can be taken as reliable it is important to note that the majority of secondary school partnership are not in favour of moving the sixth form to La Mare de Carteret school. The majority of staff teaching sixth form students do not support this proposed model of education, these are the teachers that this decision affects the most and it is these staff which we should be listening to.

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3460 Deputy Kazantseva-Miller asked what is the cost of not doing this. Well, we would keep a successful, efficient and effective sixth form for a start. What do we actually get for the costs of the Les Ozouets Campus project £111 million? Since the plans original created by the architects the Campus has been through several passes of value engineering in order to keep the costs down.

Oak replaced with fibre board, stainless steel replaced with painted steel, natural lighting reduced through reducing the number of roof lights. We are seeing the consequences of value engineering during the recent storm last week with parts of the houses at Le Bouet quite literally blowing away in the wind.

3465 What will Les Ozouets Campus look like in 20 years? Is such a build capable of lasting 40 or 60 years? Will it still look worth £111 million in 20 years time? Will you be able to look the taxpayer in the eye and tell them it was worth picking up £200 million of debt for? I doubt it. I agree with Deputy Ferbrache, the TGI does need rebuilding I am firmly in favour of the positive outcomes of moving the TGI to Les Ozouets Campus will produce. As Deputy Roffey stated I think just about everyone
3470 of us are in favour of this whether collectively we would be willing to burden future generations with the debt for this is debatable.

I think the positive benefits that it would produce would be worth the debt. Moving the sixth form 500 metres down the road is unlikely to improve educational outcomes so I cannot see any reason to include this in a £200 million debt. The 11 to 18 secondary school population is expected
3475 to peak at around 2,600 students during 2025 and 2026 but this is expected to drop below 2,300 by 2030. Our student numbers peak before the campus is due to be finished; students will be rattling around in our schools just four years after the proposed combined Les Ozouets Campus is built. That is four years if this project is delivered within a very optimistic timeframe. If these predicted student numbers do not improve within the foreseeable future we will be building an expensive and
3480 ineffective solution for a temporary bulge in student numbers.

We have heard a lot over the last few weeks that we need to invest in our children's future, I completely agree with this but borrowing to fund this model of education does the opposite, it is irresponsible. Are we really prepared to burden our children with an education model that is less efficient and effective than the one we currently have? I am not, so I will not be voting for this
3485 amendment.

Thank you.

The Bailiff: Deputy de Sausmarez.

3490 **Deputy de Sausmarez:** Thank you, sir.

Thank you, sir, When Deputy Dudley-Owen opened on Amendment 12 she mentioned that this was a prudent approach. Well my idea of a prudent approach would be to make sure that we have got the revenue streams in place to repay out debts before borrowing eye watering sums. Now my Committee was criticised this morning for proposing a measure using an existing mechanism with
3495 properly modelled projections to more than balance expenditure so I think other people have already talked about the slight irony in that.

Deputy Dudley-Owen also expressed her dismay at the delay for the Guernsey Institute and I share her dismay absolutely. I was one of a majority of Members who in March 2020 voted expressly to protect the Guernsey Institute from the delay that was threatened it by the Pause & Review
3500 requête. I seem to remember that Deputy Dudley-Owen did not actually support the Propositions that it would have done that but it was all about, to speak to a point Deputy Murray raised, it was all about whether or not the Guernsey Institute element would be drawn into, conflated with the secondary reform and actually a majority of the Assembly, I think quite a healthy majority from memory voted to project the Guernsey Institute.

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Deputy Taylor: Point of order, sir.

The Bailiff: Point of order, Deputy Taylor.

3510 **Deputy Taylor:** Sir, I am very sorry to Deputy de Sausmarez but it is 17(6). I know a lot of Members have done history lessons but we are very tight on time and I do not think this is speaking to the amendment.

A Member: Hear, hear.

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The Bailiff: I think we can crack through a little bit of the history at the moment but you can deal with some of the points briefly, Deputy de Sausmarez that have been raised in debate just to address them. But let us concentrate on the amendments please.

3520 **Deputy de Sausmarez:** Thank you, sir.

I mean the point was really that actually I absolutely share her dismay that the Guernsey Institute would have been in its new premises had it not been drawn into the secondary education situation by the fact that that review that actually never happened did seek to conflate the two. Deputy Helyar when he opened on the debate on the budget mentioned as a warning, in fact maybe it was on the F&IP debate it is all blurring in my mind, warned us about the unsustainable fiscal path. But when he opened on the budget he said that the budget report is not the time to address the long term fiscal challenges its focus is on the short term challenges. Then he went on to say something like it is dangerous to make fundamental changes to our tax base by amendment and I agree, I do not think the annual budgeting process is the right time to make a massive political shift to becoming not a tax and spend Government but do not tax but spend anyway Government which, I think, where we are likely to head if these amendments are successful.

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3535 Now a mere two or three weeks ago Deputy Helyar warned us sternly that we had to cut our cloth according to our means and he made what, in my view, was a very strong opening speech on that Funding & Investment Plan in which he warned us that Ernst & Young's advice was that our primary risk, and he emphasised our primary risk, is the inability to reach a conclusion on the funding aspects and that risk is now front and centre in the debate and I do not think that has changed in the intervening weeks

Deputy Helyar went on to say that P&R were not shaking a stick at Members they were presenting us with a set of options which do not include a consumption tax, which is what many had asked for, but with the explicit and again he emphasised explicit consequence that if we do not raise revenue we simply cannot afford the shopping list that has been created. I do not think that has changed in the intervening couple of weeks either.

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3545 So three weeks ago, two weeks ago, whatever it was we voted to cut our cloth according to our means and we voted to reduce the size of our shopping list, to use Deputy Helyar's terminology, and to phase some projects over a longer period of time. There were multiple projects that were dear to my heart and still are dear to my heart that were affected by that decision.

3550 He could not have been clearer about what we were voting for yet a few weeks later we risk putting more into our shopping trolley than we can afford. I am worried that we might be dazzled by a bit of fancy footwork here and a bit of a logical contortion, some numerical gymnastics but I think actually Deputy Burford set it out incredibly clearly she just used the numbers, the numbers that have been provided to us by Treasury, by P&R themselves and I think it is perfectly clear that they do not add up. I am very concerned about borrowing without increasing revenues to pay for that borrowing. (*Interjection*)

3555 I think I will deal with Deputy Dyke's point later but we really do have to question what else it is going to impact. Is it going to have an impact on the Hospital Modernisation Programme? When are we going to repay it, how are we going to repay it? Deputy Roffey pointed out, and I agree with him, that in all likelihood it means that we will come crashing much sooner to a point where we are presented with a much more unpalatable option in terms of raising that revenue with none of the corners softened, none of the harsh edges dampened in terms of the mitigations and that is a very real fear. I think if we approve these amendments we will have been backed into a corner. Deputy

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Helyar warned us that our choice will have explicit consequences. We know it and I think the public know it as well, they are not stupid. I think the public fully understand that.

3565 So, Amendment 18 makes some effort to raise additional measures and Deputy Kazantseva-Miller said when she opened on the amendment that she felt confident about those measures but I think certainly a few weeks ago that confidence was not shared by Deputy Mahoney, Deputy Ferbrache, Deputy Le Tocq and various others.

3570 So Deputy Kazantseva-Miller was clear when she opened and I do commend, as ever, her clarity and her great intentions in bringing this but just so we are under no doubt she did talk about the Annual Valuation Fee that every single corporate entity has to pay to validate their corporate identity and described it as a little fee and she did say that this amendment was starting with a very conservative estimate of £5 million but she truly thinks it could be more so potentially £10 million plus.

3575 Now in the Funding & Investment Plan Deputy Mahoney said on this specific point the F&IP already contains £5 million in additional revenue from the corporates and the work of that Tax Sub-Committee that Deputy Helyar alluded to is now already focusing on the Registry fees and levy's but it is unlikely to be able to raise an additional £10 million from the work undertaken.

3580 Deputy Inder spoke at length and he did allude to some of this but I am going to be slightly more expansive and add a little bit of the detail that he did not. *(Laughter)* So, Deputy Inder said so what we have is a set of increases to the cost of doing business that may or may not be expensive to collect and may or may not change business behaviour and investment decisions. He went on to explain that the Committee is currently undertaking a review of the Registry fees and funding model as directed by Deputy Mahoney in his role as the Savings Committee or whatever it was Working Group, I think that is actually Deputy Inder's words.

3585 Now currently a large IT Transformation Project is being undertaken at the Registry, it is progressing well and it is anticipated that it will provide opportunities for extra revenue generation and product streams, for example in the area of improved access to public data by application programming interfaces, what is known as API's. We are looking to review, Deputy Inder says, the general administrative charges, levies for some registry services and we are keen to ensure that any increase in the fees results in the Registry remaining competitive compared to the other competitor jurisdictions.

3590 So there is a £10 million corporate services grab in there somewhere supposedly funded by 2026, that is how he put it. Now the bulk of the Guernsey Registry's income is generated by Annual Validation Fees for the fees for companies ranging between £250 to £1,000 per annum. The fees tend to be the headline figures that people look at when considering and the Guernsey Registry's fees are on the high side when compared to other jurisdictions, for example companies licensed authorised or registered by the GFSC currently pay an AV (Annual Validation Fee) of £1,000 in Guernsey compared to an equivalent £270 in Jersey. So immediately we are looking very uncompetitive, £380 in the Isle of Man. So that is the different £270 in Jersey and what we say in this Chamber matters, £1,000 in Guernsey, £380 in the Isle of Man.

3600 The current fee for the non regulated companies in Guernsey is £250 compared with £220 in Jersey and £95 in the Isle of Man so we are already on the fairly high side, that is not a lot of money to be had, or there is not a lot of money to be had. Detailed analysis is currently being undertaken to compare the Guernsey Registry's fees with other jurisdictions to ensure that fees remain competitive and the Committee will be keen to ensure that any proposed fee increases do not make Guernsey uncompetitive as a jurisdiction. We simply cannot do that, well I do not think we can.

3605 And then he went on to say, to summarise effectively, that detailed proposals are expected in early next year with a view to consulting stakeholders thereafter but to manage Members expectations, he warned, it is his view, just his view, that we are unlikely to be able to raise more than £1 million to £2 million by raising the Guernsey Registry's fees and charges if we wish to remain competitive and even raising that level of revenue may be a challenge. He did go to say a few other things.

3615 Deputy Ferbrache described the figure as, he said, I do not think that figure is realistic. Then Deputy Le Tocq in a typically very eloquent speech made some relevant points but I think there was one phrase that he used to sum it up and he said it is easy to increase the estimate for corporate tax that can be raised but I would say, sir, to Members of the States none of those numbers actually mean anything and do not raise a single penny for the States. They are assumptions of fingers crossed and hope for the best.

3620 So those are some of the relevant quotes, there were actually lots more that were mentioned in debate against this very proposal just a couple of weeks ago. So, I think the fundamental point is this is not free money. It is a serious generational and indeed inter-generational debt burden that will grow our deficit every single year and we cannot afford that now and as Deputy Helyar reminded us when he opened in this debate what is unsustainable now becomes even more expensive every single year. It becomes more expensive in the future. So Deputy Aldwell implored us earlier to invest in our young people's future but I do not think gifting them this level of debt is the kind of investment that they deserve.

3625 Deputy Prow asked us to take a big leap of faith. Well, it is quite some leap. Faith is great but it does not repay debt and to speak to Deputy Dyke's point the figures that he was citing were interest only. Even if we do put in place and do achieve all the additional revenue that other Members, Deputy St Pier and Deputy Burford have pointed out, we will be fortunate if we secure. The figures that Deputy Dyke was referring to is simply paying off the interest, not repaying the actual debt for the actual capital expenditure, I mean it is just an inherently incredibly unsustainable position.

3630 Deputy Burford set out very clearly that even if all these revenue raising measures could be realised it still would not fund the Transformation of Education Programme. So I can understand the temptation to support these amendment but it will not do what we are hoping they will do, it will saddle us with unsustainable debt and I ask Members to keep their feet firmly on the ground and reject both amendments.

Deputy Queripel: Rule 26(1), sir, please.

3640 **The Bailiff:** Deputy Queripel is raising a guillotine motion under Rule 26(1) so can I invite those Members who wish to speak on Amendments 12 and 18 to stand in their places. Deputy Queripel is it still your wish that I put a motion to the States.

Deputy Queripel: It most certainly is, sir. *(Laughter)*

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The Bailiff: In that case.

Deputy Inder: Sir, on a point of order it was not a valid intervention. Deputy Queripel was seated when he addressed you, sir. *(Interjection)*

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The Bailiff: This is very true but he did stand up subsequently. *(Laughter)* And Members should be reminded that they should wait to be called before blurting anything out and if somebody has in mind a procedural motion like a Rule 26(1) it is courteous to forewarn me that it is going to come. So, I simply say that for the future. Anyway I am going to put the motion that debate on these two amendments be curtailed subject to the usual winding up which will be slightly more complicated this time round but it will be Deputy Helyar, Deputy Dudley-Owen and Deputy Kazantseva-Miller still to speak at the end.

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Members voted Contre.

3660 **The Bailiff:** I think I will declare that lost.

Deputy Queripel: Recorded vote, sir, please.

The Bailiff: Yes. I will invite the Greffier to open the voting on the request for a recorded vote.

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There was a recorded vote.

Not carried – Pour 10, Contre 25, Ne vote pas 3, Did not vote 2, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Dyke, John	Aldwell, Sue	Burford, Yvonne	De Lisle, David	None
Ferbrache, Peter	Blin, Chris	Dudley-Owen, Andrea	Le Tocq, Jonathan	
Gollop, John	Brouard, Al	Kazantseva-Miller, Sasha		
Helyar, Mark	Bury, Tina			
Inder, Neil	Cameron, Andy			
Murray, Bob	De Sausmarez, Lindsay			
Prow, Robert	Fairclough, Simon			
Queripel, Lester	Falla, Steve			
Snowdon, Alexander	Gabriel, Adrian			
Vermeulen, Simon	Haskins, Sam			
	Le Tissier, Chris			
	Leadbeater, Marc			
	Mahoney, David			
	Matthews, Aidan			
	McKenna, Liam			
	Meerveld, Carl			
	Moakes, Nick			
	Oliver, Victoria			
	Parkinson, Charles			
	Roberts, Steve			
	Roffey, Peter			
	Soulsby, Heidi			
	St Pier, Gavin			
	Taylor, Andrew			
	Trott, Lyndon			

3670 **The Bailiff:** So, on the motion proposed by Deputy Queripel to curtail debate pursuant to Rule 26(1) there voted in favour 10 Members, 25 Members voted against, 3 Members abstained, 2 Members did not participate and that is why I declared it lost.

Deputy Le Tissier.

3675 **Deputy Le Tissier:** Thank you, sir.

There is one disadvantage of speaking late in the debate, although looking at the numbers of people that stood maybe it is not late, is a lot of people have made points I was going to make. So, I have cut some things out. (*Interjection*) I opposed this amendment, this is 18, on several levels when I first read it then I thought well maybe A was not so bad after all because it does raise income but I am wavering now.

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I wanted to thank Deputy Burford for a speech that put into words what I thought and was really the true situation (**Several Members:** Hear, hear.) and I think we should all take note. Now, I do not see why we should be rewarding ESC for letting their properties get into a poor state of repair even the Guernsey Building Trades Employers Association reported on the disgusting state of the education estates. We should be ashamed, their actual words, they even called it an embarrassment. Are we a third world country? But to be fair to ESC the lack of maintenance applies to many Committees not just ESC.

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Going back to ESC these poor pupils have to put up with these leaks and we have all seen pictures of bucket and whatever. But ESC have allowed their properties to get into this state. Not carrying out maintenance is a conscious decision and it is not just the present Committee it has been going on for years. But, I do not think ESC should be using the suffering of our young people

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as an emotional lever to try and get this funding through. Yes, it is unfortunate but we can do something about it.

3695 Now I have been told by Education that the buildings are old and that is one reason why the leak. I mean that is a good excuse but I do not think it stacks up. Does every building older than the 1970s leak? No, many buildings come from the 19th century including many Guernsey homes and looking a little closer to home this actual building, I think it was in the early 1900's it was built and I have not noticed any leaks, cracks or panels falling down.

3700 Then there is the other excuse, we stopped maintenance when we saw the States had voted for the Education Policy. I wonder what the Health & Safety Executive would think about that. No maintenance while our pupils have to sit in these run down and frankly sometimes dangerous buildings. I mean even this morning it was mentioned on BBC Radio Guernsey that a Union Rep said this was a vanity project. Some work was needed, yes, but costs could be reduced. Now I am not going to quote the person's name because I am not sure I am quoting her correctly but that
3705 was the gist of it.

So that is one reason I opposed this amendment and in 12 as well but the second is more fundamental, as mentioned by other people. It is proposed that we borrow £200 million and part of that something over £100 million will be used so we can proceed with the TEP. I think I heard Deputy Dudley-Owen tell Deputy Bury that the £200 million is not part allocated to Education and the Hospital it is part of the general overall Capital Portfolio. It is not hypothecated, to use that word everyone seems to be using in this debate.
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Has the mask slipped and now we have the real position, it is just general borrowing of £200 million? Borrowing sums like this are unsustainable long term, P&R say this and they said it in the last meeting and this is another occasion when I agree with them. I have repeatedly asked where is the money coming from to repay these massive loans, a definite source, not some vague can kicking down the road well we will sort it out in the future. No, I want a definite source and I want it made clear now.
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So I suspect as Deputy Meerveld said that if we agree to this additional unfunded loan we will sooner or later be told, for the fourth time, that we must approve GST, now before or after the next election. Just borrow on the never, never and leave the consequences to a future Assembly and future generations is not, in my view, sound economics and if this amendment passes it will show to the public that this Assembly is irresponsible in the extreme.
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Now lastly to keep things short, Deputy Dudley-Owen was reported, I believe, as saying this Assembly was indecisive and that is not right I will give way. But surely we made a decision last month. A reasonable person would have thought the Committee would have gone away and come back and presented amended compromised proposals but no, we simply see the Committee trying another bite at the cherry. Where is the compromise? Deputy Bury is right and I agree with her. Please ESC, put a compromise together perhaps including the Guernsey Institute, come back to the States and we will listen and maybe I would vote in favour of whatever that compromise is.
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3730 Thank you, sir.

The Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you, sir.

3735 I want to start if I can, I will try and keep to the points which most have not so far, so I will try and keep to actually what it is about. I have a very quick question for Deputy Cameron, sir, through you. He notes that I think it was £111 million he said when he spoke which I believe covers TGI and the sixth form, correct me if I am wrong there. I understand he supports TGI, I think that is right, but not the sixth form as he has made very clear. Sir, through you and a give way is Deputy Cameron able to split out the cost of those two things of the £111 million? I give way.
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Deputy Cameron: Thank you, Deputy Mahoney.

3745 I am not able to do that. No modelling has been done to actually work out exactly what that is. My estimate of keeping the sixth form actually standalone was worked out at 450 square metres additionally needed, building costs at around £1,500 per square metre so it still equates to a lot less than what is being quoted at the moment.

3750 **Deputy Mahoney:** I thank him for interjecting there. The only thing is I had two people either side of me going yes we do know when he said we do not know we cannot split it out. So I am a bit confused to why he does not know but other Members, including ex-Members of ESC do know, but anyway onwards and upwards.

3755 Deputy St Pier gave us a glorious rose tinted version of his previous term as Chief Minister, history written by him, surpluses everywhere apparently it is just a shame he did not spend some on infrastructure so we did not inherit the mess that we have got now. Deputy Bury makes a very, very valid point that it is not good form to hand debt to the next generation but I would just counter that with saying it is also not very good form to hand them an empty bank account which is exactly what this Assembly voted to do last month by agreeing to spend the £90 million Health Reserve. If we had made different revenue decisions we would be handing them a healthy cash balance, I am not going down that road again. If nothing else it will raise the GST fog with certain Members and they will get in a tizz again, so I am not going to do that.

3760 Now a point that seems to have been deliberately, I can only say deliberately, glossed over is as noted in the note from Treasury that we have all seen when it says very near the bottom of the first page, the decisions already made by the States rely on new borrowing, (**A Member:** Hear, hear.) new borrowing as approved by the people in this room.

3765 So, I have got to ask where were all the happy clappy no borrowing brigade last month when they all agreed to take out new borrowing because we have heard lots of people today say no new borrowing, no new borrowing and yet three weeks ago, or whatever it was, not certainly a majority I do not know the number, were very happy to take out borrowing. Someone said, sorry I did not write down who it was, that we have got to cut our cloth, we must cut our cloth, we did cut our cloth, no we did not we took out a bunch of new borrowing.

3770 Deputy de Sausmarez noted that these numbers for the Registry Fees increased Registry fees, whatever we call them that is semantics we could not raise £10 million. I said that I did not think we could raise Registry fees of £10 million and I do not think we can, but that is not what we are looking for here. I do think we can raise Registry fees of £5 million.

3775 The other bits that she and others, I will give way to Deputy Trott.

3780 **Deputy Trott:** Well I am very grateful to Deputy Mahoney giving way because I think he will be the first to appreciate the fundamental difference. The States agreed to borrow £150 million for the propose of funding the Guernsey Housing Association and another housing association in the knowledge that there would be an absolute secure income stream. That is the fundament, you cannot correct me Deputy Dyke he's given way.

The Bailiff: Point of correction, Deputy Dyke. You can, yes.

3785 **Deputy Trott:** Well I have not sat down yet, but I wanted to thank you for giving way but I think that point is a particularly valid one. The States knew what it was doing in terms of a secure funding stream. The issue we are having here today is that it is on the never, never. I mean one of the comments that was made by Deputy Roffey I thought was an exceptional one and that is that after all his experience in the States he knows how unlikely it is that some of the motoring taxes that we are suggesting will get through. There is a long history of that. So that could wipe out £10 million or £15 million just like that. So I understand in debate and Deputy Mahoney is very good at it and I respect him for it, but it is important to make the distinction between borrowing that has a secure income stream and borrowing that is something fictitious or the provision of the funding for that is something fictitious in the future.

3795 Thank you for giving way.

Deputy Mahoney: I suspect you cannot want to correct me.

Deputy Dyke: No, I do not.

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Deputy Mahoney: I give way to Deputy Dyke.

Deputy Dyke: The point I was going to make about the authority of the Guernsey Housing Estate **17:16:00** (*Interjection*) £150 million on housing was that the States did was authorise P&R's spend up to that amount. Presumably that will come in tranches over the years as projects come up so it is slight different. (*Interjection*)

Deputy Mahoney: I thank Deputy Trott for his interjection, although I was not talking about the £150 million that we were doing for the GHA I fully understand we will borrow it, we will lend it on, and we will get paid the money as simple as you like. I am talking about the rest of the Capital Portfolio that, in fact he has made my point perfectly so I thank him for that, and the point made earlier by Deputy Roffey and indeed Deputy Gabriel when we were talking about motor taxes or election year, that is not going to be easy to get through is it and also the savings, I think that it was Deputy Gabriel that say are we going to make those £10 million, £15 million of savings.

3815 Well yes, if 21 people in this room say we can make them but if they do not then now. So that is entirely within our gift, or not, depending on how secure people are feeling and how brave people are feeling. So, I am talking about the other borrowing for the other £300 million of capital spend that we have got to do that a number, I cannot remember it, three weeks ago voted to do on the back of we might get some motor taxes, we might make some savings, we might get some pillar two income etc. and yet we did not seem to mind doing that and yet when Deputy Kazantseva-Miller brings forward a listen there is £5 million we can pop out there let us take that it should fund this extra £100 million, again people have been trying to confuse £200 million it is going to cost us £10 million to £11 million, that is not what we are talking about with this amendment. That is deliberately mixing and matching and I do not know why, well I do know why people are doing that. (*Laughter*)

3825 For Deputy Gabriel I think it was him, I beg your pardon, sir, my apologies if it was not, I think he raised the question of can we get this money? Well I am in that business for probably too long now, so during this lunch hour I spent some time I made a call to half a dozen other senior figures within trust companies and banks on the Island to see, listen you will not have seen it because you are not interested but there has been an amendment laid to do this what do you think about it?

3830 It will be potentially £250, is the number I used, increase in company duties, again call them what you like Validation fee's, levy's it does not really matter, and not one of them said well that is going to cause me a lot of problems and that is going to cause my clients a lot of problems. I am MD of a trust company and it will not cause my clients any problems either.

3835 So, am I worried about that, no. We have got 20-ish thousand of these either international companies or butcher, baker, candle stick maker local companies. Deputy de Sausmarez raises we are so much more expensive than Jersey it is £1,000 here but that of course is for the licensed companies of which there are a few hundred on Island, not the 20,000 companies that for most of our corporate business here. So whilst that one has a £278, I think the number was, £300 whatever it was, I do not know who said it, there is not much difference in those.

3840 The ones we need to concern ourselves with are the 20,000 international companies that are paying, I will not be giving way, £500 currently which may go up to £750 and lots of them said, and we should remember, that those fees were set some seven or eight years ago and have not been raised since so industry is kind of thinking it has dodged a bullet up to now and those have not gone up. So, it will not be a massive surprise, I am in that industry and it would not be a massive surprise to me or a big hit either it will just be passed straight on, the businesses themselves are

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not going to pay it I guarantee you that. So if that clears that clear that up for anyone, from someone that does it whenever he is not sat in here, then I hope that helps.

3850 Deputy Le Tissier, rewarding ESC for not maintaining their buildings, I mean if that does not border on crass stupidity I do not know what does.

The Bailiff: Deputy Mahoney, I think because you have drawn attention to a particular Member and described it as crass stupidity that is unparliamentarily.

3855 **Deputy Mahoney:** My apologies sir, my apologies to the Assembly and to Deputy Le Tissier. But my point is that he thinks that they can just spend money they do not have then that is let us just say it is foolish shall we. In April 2019, I have been handed this by Deputy Aldwell, an external assessor commented on the College of FE numerous sites, commitments of investment in new educational facilities have led to a minimum approach for many years, not ESC's fault, we are now
3860 at a point where a number of sites are end of life and many of their building elements have failed as they are well past their shelf life and continued patch repairs are not resolving the issues. By comparison to the size of the aging education estate the annual revenue budget for maintaining the estates is small.

Those budgets are set by this Assembly, they are not chosen by ESC they are just foisted upon them and they have to work within them. It is not their fault if the money is not there. Sir, there is
3865 so much detail but I am not going to go into it but I would finish by saying, sir, this is just too important to be petty. This comes down to one thing, we have heard from the officers, the educationalists, the teachers, the unions and even some of the children, for the sake of this levy, that is what we are talking about that is this amendment here or these amendments here, for the sake of this levy we can get to where we need to be. Not where we want to be but where we need
3870 to be. Sir, I urge people make the sensible decision and just vote this through and then we can get on with the proper education facilities.

The Bailiff: Deputy Brouard.

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Deputy Brouard: Thank you, sir.

I have not got a prepared speech it is just a few notes. The past is a foreign country and certainly three weeks ago seems a very long way away. Please, especially as it is Halloween time of year, do not go back and read what you said three weeks ago in Hansard because for some people it will be quite a shock (*Laughter*) from the positions that you took then to the positions that you now espouse today.
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We do run the risk of looking slightly foolish as a team I am afraid, we need to have a little bit more consistency in what we do and unfortunately I also shoot myself with the same bullet because I have changed my position as well because if you remember we had a cascade from our Senior
3885 Committee vote for Option 3 which was the all singing and dancing and we had with the GST, Option 2 which was not fully funded so why on earth would I vote for Option 2. Well the reason I did and I would do today and I did back then was to make sure I got the Hospital Modernisation through and that was the reason I voted for it.

But now that has been paired out, I do not have that particular position and thank you all very much for those who supported that particular vote. I think it is also quite ironic that people, Deputy
3890 Ferbrache I think mentioned that it was not necessary that I voted for Education but they did vote for the Hospital, well actually three Members of Education did not vote for the Hospital all of P&R did not vote for the Hospital, so I very much thank everybody else who did because that is a very wealthy investment into our future.

3895 I am very much in the same position as my Vice President on Health, I very much want the, what I call the College of FE, to proceed. I also take very seriously the note that Deputy Lester Queripel always brings up about maintenance and we have struggled on our sites to make sure that we have got the maintenance up to standard. It is almost a States position that as soon as somebody says

3900 that a building is not going to be used because something else is going to happen that the maintenance stops. But then what happens is the new building does not happen for years and years but the maintenance has already stopped.

Of course the maintenance is not the position of Committees, I do not know if Education is different, the maintenance is part of Policy & Resources, they have made it into their tea pot or whatever the latest word is. I have threatened a couple of times in our Committee that we take it back because I am not overly convinced that the idea of having somebody peripatetic going round doing maintenance is good and the same for gardening, etc. Anyway that is how it maybe.

3905 So we do not do the maintenance because we usually end up optimistically hoping we will be out of a particular building to somewhere else. Now I am not normally on the same page as Deputy Burford but I very much take heed of her words on unfunded borrowing and I have got a sword of Damocles over my head because many, many years ago I brought an amendment to the States to make sure that any borrowing that we did have was also funded and there is an extant resolution that we cannot do borrowing that is unfunded. So I can now wrestle my two dilemmas of making sure the Hospital gets through versus unfunded borrowing.

3910 So I am going to be very doubtful if I could support the amendment from both Education and Deputy Kazantseva-Miller. The Senior Committee, what I would like to hear from them is the very small lifeline which everyone is jumping on from Deputy Kazantseva-Miller has got a very, very thin piece of string attached to it and my fear is that we will just be set afloat with it. So, I would like the Senior Committee to come back either now or with an amendment as to how they are going to bolster the finances, how are they going to make it unfunded back to being funded.

3915 So that is what my pleas to Policy & Resources are, please nothing has changed since your Option 2, you need to give us a bit more of a life raft with a stronger rope to it. I appreciate GST may not make it but you need to do something else because, as Deputy Roffey pointed out, it would be unfortunate for us to pass on having had all our sweets, having had all the things that we think are essential for the Island and then leave the next Committee and the next States Members to try and pick up the funding for it.

3920 And, I just want one other myth as we are going into the myth season, is the library which is at the PEH at the moment is not critical for us carrying on with Phase 2 of the Hospital Modernisation. The library at the PEH Hospital is not critical for us carrying on with our PEH Modernisation. I do not know how many times I can say it, we will find a place for the library if there is not a building in HSC, Castel Corner or wherever and, of course, we do have now thanks to funding from Treasury, thank you very much for La Vieille Plage, which means that we can move the residents of Sunnybrook out of the Duchess of Kent I then release a large chunk of that building which, of course, I appreciate might need some expense but the library could move there if it has to. So there are places we can use, so I would just say for the third time it is not cognisant or the Hospital Modernisation is not held up by not having a place for the Institutes library. (*Interjection*)

3930 I do echo some of other people's comments from Deputy Haskins he has come a long way as a Deputy and I appreciate what he says but I do think it was a bit cruel to say that other people do not value the students we very much do but we have also got to look at a bigger picture as to how we are going to fund it so that we do not actually make it worse and students at the moment are being well served by some of our buildings and by our staff. I do not think we should forget that bit. Just like the Hospital it is not perfect but we are doing a pretty good job day in day out with whatever facilities we get given by this Assembly. So, I am afraid I do not think I will be able to support these amendments.

Thank you, sir.

3945

**Procedural –
Remaining Business deferred to 22nd November**

The Bailiff: Well, Members of the States, it is 5.30 p.m. on the third day of this meeting. So in accordance with Rule 6 what would normally happen is that this meeting would now close. Unfinished business is deferred into the next meeting of the States. That will be positioned in accordance with Rule 9 after the other deferred business but it is always open to Members of the States when that meeting commences to seek to reorder the business, simply explaining that that is the position under your rules.

I do not particularly want to interrupt the current debate on these two amendments so what I am going to do is I am going to invite those Members who wish to speak on these two amendments still who have not yet spoken to stand in their places. So, one option, thank you you can, actually I might leave you standing up. *(Laughter)* One option is that I take the view that we should finish these two amendments and put that motion to you that we sit, we might take a short break, but we sit to complete these two amendments, get the votes in and then we take stock as to what we are going to do.

An alternative is that I propose that we adjourn the business of this special meeting rather than closing the meeting so that it precedes what happens on 22nd November, in other words rather than starting the ordinary meeting that has already been convened for 22nd November we resume where we have got to at the moment on 22nd November we complete the special meeting, which will include the Committee for Employment & Social Securities business and we would then move in thereafter to the ordinary meeting convened for 22nd November, whether that is on the 22nd of 23rd or whether it is even 24th but that would be the way that we could manage that business.

The final alternative will be to consider adjourning not to the 22nd but for some other Member to propose an alternative but I have not yet determined when the adjournment is going to be announced if there is going to be an adjournment. So, I just wanted to test people's will to continue sitting to complete these two amendments first to take the vote on these two amendments. So I am going to put a motion to you that we do that next.

I think I might have to have a recorded vote on that just because –

Deputy Meerveld: Sir, may I suggest an indication of who would have to leave because it may obviously affect the voting because we have already lost Member to go for an operation at the Hospital. I think that might affect the Members voting.

The Bailiff: No, I am not going to do that on the simple basis that I have already put the motion, it is too close to call and Members can vote accordingly because they have already decided to vote without having that indication. So, Greffier, when you are ready. So this is the motion on continuing to complete these two amendments and I will invite the Greffier to open the voting please.

There was a recorded vote.

Carried – Pour 18, Contre 20, Ne vote pas 0, Did not vote 2, Absent 0,

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	Brouard, Al	None	De Lisle, David	None
Blin, Chris	Burford, Yvonne		Le Tocq, Jonathan	
Dudley-Owen, Andrea	Bury, Tina			
Dyke, John	Cameron, Andy			
Gabriel, Adrian	De Sausmarez, Lindsay			
Gollop, John	Fairclough, Simon			
Haskins, Sam	Falla, Steve			
Inder, Neil	Ferbrache, Peter			
Kazantseva-Miller, Sasha	Helyar, Mark			
Mahoney, David	Le Tissier, Chris			

Moakes, Nick	Leadbeater, Marc
Murray, Bob	Matthews, Aidan
Oliver, Victoria	McKenna, Liam
Prow, Robert	Meerveld, Carl
Roberts, Steve	Parkinson, Charles
Taylor, Andrew	Queripel, Lester
Trott, Lyndon	Roffey, Peter
Vermeulen, Simon	Snowdon, Alexander
	Soulsby, Heidi
	St Pier, Gavin

The Bailiff: So the voting on continuing has actually been lost by 18 votes to 20 with 2 not participating. So we will not continue now it will be a case of too when will the States adjourn.

3990 **Deputy Gabriel:** Sir, could I make a proposition that we sit tomorrow?

The Bailiff: No, because under the Rules you are not allowed to Deputy Gabriel which is exactly the same point that I would make to Deputy Meerveld who wants to do that. Only if I decide that we are going to adjourn to another day can an alternative be proposed. So, I am going to suggest that and I am going to do this for the reasons that I will just articulate. Tomorrow, if you were to adjourn till tomorrow, you will have to complete these two amendments however long you think that will take. There will then be three further amendments plus another amendment that has just come in but that might not take very long and then general debate and then the Employment & Social Security Committee's matters unless you chose to close the meeting at that point.

3995
4000 So for that reason I am going to propose that we adjourn to the 22nd November and resume then because everyone should know that they are expecting to be in the States on 22nd November, but if some Member now wishes to propose an alternative?

Deputy Gabriel: Sir, could I propose adjourning? (*Interjection*)

4005

The Bailiff: No, not at the moment, Deputy Gabriel wants to propose.

Deputy Gabriel: Sir, if I get the intention and the wording correct could I propose that we adjourn this evening and recommence the special meeting tomorrow?

4010

The Bailiff: Yes, no I understand that, so that is an alternative to what I am suggesting. There can be a short debate because Rule 6(4) says that at my discretion it may be briefly debated and I am very happy for you to spend as long as you want (*Laughter*) debating when you want to come back.

4015

Deputy Trott: But briefly sir.

The Bailiff: But briefly. Deputy Leadbeater.

4020 **Deputy Leadbeater:** Thank you, sir.

I was under the impression that we did not have a Presiding Officer available tomorrow and I was wondering if it would be worthwhile adjourning it until next week to finish of this business if that were at all possible, sir?

4025

The Bailiff: At the moment I have got a Proposition simply to adjourn into tomorrow, if that is accepted then whilst I have other commitments and the Deputy Bailiff has some other commitments there are the three Members who are the Acting Presiding Officers who could at least fill this seat until such time as either the Deputy Bailiff or I become available. But there are some Members who are not, as I understand it, going to be able to attend tomorrow. So we are simply debating Deputy

4030 Gabriel's suggestion of adjourning this special meeting into tomorrow and then I will put that motion to you as the alternate to being on 22nd November. Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

4035 I was very keen to get this budget this week but I think in the circumstances I would favour not adjourning till tomorrow because I know there are Members that are going to be absent and moving it to the 22nd and just adjourning this meeting until 22nd so this is dealt with first before other matters on the 22nd.

Thank you, sir.

4040 **The Bailiff:** Deputy Trott.

Deputy Trott: Thank you, sir.

4045 Sir, I had the opportunity this afternoon to circulate my travel arrangements to all Members. I am aware when you asked yesterday who might be absent today not all Members were present, do you mind asking the same question now, sir, as to how many absentees there will be tomorrow and during what hours?

The Bailiff: Well let us just continue round to see if anyone else has got any other comments at the moment. Deputy Brouard.

4050

Deputy Brouard: Thank you, sir.

4055 I think also another consideration I very much agree with from my colleague Deputy Meerveld is that we will lose a Member, I do not know on which side of the debate that that person would be on, but we would lose a Member into the Presiding Chair and I think to be fair these are such important issues we need to have every Member that we can to be able to express their opinions and to be able to vote on the Propositions, whichever way they feel, sir.

The Bailiff: Deputy Aldwell.

4060 **Deputy Aldwell:** Thank you, sir.

I think most of the Members actually believed when we started on Tuesday that we would be here on Friday anyway and I do not think anyone realised that we would not be here Friday and it is so important to us in ESC that I would really like this discussed tomorrow please, sir.

4065 **The Bailiff:** Deputy Matthews.

Deputy Matthews: Thank you, sir.

4070 My preference is, I think, to adjourn until 22nd but I think it would be useful for us to know who would be available as the Presiding Officer. Deputy Trott has stated his availability, I understand Deputy Gollop would be first in line (*Interjection*) and I am happy to give way.

4075 **Deputy Gollop:** Thank you for giving way. It would be a very challenging task because I think unlike the time we did it before this is perhaps a more contentious debate and managing the organisation of the collated budget amendments would also be challenging. I would be up for the challenge and I know Deputy Trott is a very senior Treasury Minister, etc. and in the past it has been Deputy Roffey. Deputy Brouard, however, makes an excellent point that whoever was in the chair would have the disadvantage of not speaking on the issues or voting, that is point one.

4080 Point two, Deputy Meerveld and other speakers are probably correct that we would be very unlikely to finish the budget general debate and get to the votes tomorrow. It is possible but not probably. The only concern I have about the alternative date of the 22nd November, I accept what Deputy Aldwell says as well, is I just do not know how we are going to get through this log jam. I

mean SAC will have to consider this but actually, sir, we have got the budget, the amendments, the Government Work Plan, the questions I never asked last month to Deputy de Sausmarez, *(Laughter)* the speech Deputy Roffey never gave, the November Billet, extra amendments, it is getting confusing.

The Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, sir.

Perhaps I have got us all into this mess but I take on board what Deputy Brouard and Deputy Gollop say about the unavailability of some Members and the importance of debate but also I raised the motion to start with to perhaps maintain momentum and hopefully that Members could get this finished and we could get it approved. But also in my haste I neglected to check on the Greffier on the Sergeant and their Members of staff if they are available as well, I am hoping that they are.

The Bailiff: I think we are starting to get a bit repetitious already **(Several Members:** Hear, hear.) What I am going to do is I am going to ask those Members who if there were an adjournment to tomorrow that could not be here. *(Interjection)* Does Deputy Ferbrache wish to comment at all as the President of P&R?

Deputy Ferbrache: Sir, I would have favoured Deputy Gabriel's point but there have been two points; firstly we are going lose Deputy Roffey has already spoken but he will not be able to vote, he is one of the alternatives too, so we would lose somebody. I do not want to do a disadvantage to think they could not vote and when I see that five Members stand up and they are not available for all or part of a day that just takes out too much of an important issue.

So I think, sir, I am not speaking on behalf of P&R because I have not spoken to the others but my view would be that we adjourn until 22nd November, if between now and then somebody can come along and do something I think that is likely but we adjourn until 22nd November. So, I do not know if Deputy Gabriel wants to continue with his motion, it was his motion first, but I think in relation to that we would lose five Members possibly six over a period of time.

The Bailiff: Let me invite you, Deputy Gabriel, do you wish still wish the motion to be put to the States.

Deputy Gabriel: If I am able to, sir, I will withdraw it.

The Bailiff: Alright, I think in the circumstances because it is a procedural motion that it was an alternate to what I was saying that if Deputy Gabriel does not want to put it forward unless anyone else does. *(Interjection)* Deputy Oliver.

Deputy Oliver: Given the amount of work, sir, could we maybe rather than 22nd November convene on the 20th? *(Interjection)*

The Bailiff: Deputy Burford.

Deputy Burford: I think Deputy Oliver is halfway there. I think we are accustomed to convening on a Tuesday occasionally and perhaps the 21st would give us the extra leeway in that meeting because there will be a significant amount of business.

The Bailiff: I really do not want to prolong this at the moment. Deputy Prow, what do you want to say?

Deputy Prow: Well as ???17:45:49.

4135 **The Bailiff:** I hate to be terribly boring about the 20th but I do know that I am in court that day
in this room, now whether or not that can be moved out I have got no idea but frankly the 20th is
going to be difficult. Can I just remind Members that when States meetings' are set and the States'
meeting schedule is always only a three-day meeting (**A Member:** Hear, hear.) which is why
4140 exceptionally you chose to have a four day meeting by agreeing that for the Funding & Investment
Plan and the Government Work Plan on the last occasion that there would be that fourth day
available having started on the Tuesday, so that was exceptional.

There has been nothing this time round which is why there is no real availability tomorrow and
for that reason that is why we will do what we can if that was the decision that people wanted to
make but Deputy Gabriel has now decided that he does not want to put that motion to the States.
4145 Deputy Roffey.

Deputy Roffey: Sir, I have always been an impatient person wanting to crack on and I remember
any number of these debates where I have tried to find a way to make things go forward quicker
but the basic thing is always come down to people have got a right to not be here who have made
4150 other plans (**A Member:** Hear, hear.) if it is not a scheduled States' meeting day. (**Several Members:**
Hear, hear.)

If they are going to be away when it is a scheduled States' meeting day and they lose their voice
in a vote that is hard luck. So, I think although it is a totally unsatisfactory postpone and it is not the
first time it has happened to ESC I have to say, I think we have got no choice but to stick with the
4155 formula of using the days that we have scheduled and we have blanked out in our diary.

Several Members: Hear, hear.

4160 **The Bailiff:** Deputy Moakes.

Deputy Moakes: Thank you, sir.

I would tend to agree with that but my major concern is we have a huge log jam of work now,
we have got multiple amendments we still need to discuss and a whole load of other work that
needs to discuss. So I just foresee that between now and when we have the next meeting a whole
4165 load of new amendments are added to the already long log jam of amendments. Is there any way
that the door can be shut on that from happening so that we can just carry on as if we were carrying
on today?

The Bailiff: Well in relation to any further amendments to this budget report if they come from
4170 the Policy & Resources Committee they are not subject to the requirement to have a motion to
suspend the rules but if it comes from any other source there would have to be a motion to suspend
the rules to enable the amendment to be debated and it is in your gift, not mine, but your gift to
say on no we will not. So that is the simple answer to that. Does anyone have a counter Proposition
to adjourning this special meeting to the 22nd November? Deputy Dyke.

4175 **Deputy Dyke:** Sir, I wonder if I could second Deputy Burford's proposal to start on Tuesday 21st
if that worked for other people.

Several Members: No!

4180 **The Bailiff:** Who would not be available on the 21st? (**A Member:** Deputy Helyar, sir.) I will also
point out that you would be convening on the 21st with an acting Presiding Officer because the
Deputy Bailiff and I both have commitments that day. We would be able to get you started but we
would leave pretty quickly. (*Laughter*) So is there a counter proposal or not? Deputy Gabriel.

4185

Deputy Gabriel: Sir, I would like to propose that we continue sitting tonight now that we know and finish Amendment 12 and 18 now that we know there is no alternative sitting tomorrow.

4190 **The Bailiff:** No on the basis that that motion has already been put and rejected so that is not available now. On that basis Members of the States I know you all want to crack on, everyone wants to crack on. You could have got a little bit further if some of you had not, I am not going to take any more speeches now, (*Interjection*) no I am not going to take any more speeches now Deputy Taylor, I have made my position clear.

4195 **Deputy Taylor:** Can I make a motion, sir.

4200 **The Bailiff:** No, because you have missed your opportunity for that as well. I called for the motions, they were not put and I have explained the position so therefore what I will do is we will adjourn this Special Meeting so we will resume exactly where we have finished which is discussing Amendments 12 and 18. Those people who have already spoken will not be allowed to speak again, anyone who has not spoken will be able to speak again on the 22nd November when we start at 9.30 a.m. and we will simply defer the Ordinary Meeting to follow the conclusion of the special meeting. We will now close the court. (*Laughter*) We will now close the States.

The Assembly adjourned at 5.55 p.m.