



OFFICIAL REPORT

OF THE

STATES OF THE

ISLAND OF ALDERNEY

HANSARD

The Court House, Alderney, Wednesday, 19th October 2016

*All published Official Reports can be found on the
official States of Alderney website www.alderney.gov.gg*

Volume 3, No. 6

Present:

Mr Stuart Trought, President

Members

Mr Matthew Birmingham

Mr Neil Harvey

Mr Louis Jean

Mr Robert McDowall

Mr Graham McKinley

Mrs Norma Paris

Mr Steve Roberts

Mr Chris Rowley

Mr Francis Simonet

Mr Ian Tugby

The Greffier of the Court

Mr Jonathan Anderson

Business transacted

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States of Alderney

*The States met at 5.30 p.m. in the presence of
His Excellency Vice Admiral Sir Ian Corder KBE, CB,
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE PRESIDENT *in the Chair*]

PRAYERS

The Greffier

**Welcome to HE Lieutenant Governor,
Vice Admiral Sir Ian Corder KBE, CB and his wife, Lady Corder**

The President: Before we go any further, I would like to welcome the Lieutenant Governor and Lady Corder here this evening. I am very pleased to have you here and I am sure I speak on behalf of the States and all the people of Alderney when I bid you very welcome.

5 If you would like to continue please, Mr Greffier.

ROLL CALL

The Greffier

Convener's Report of the People's Meeting held on 12th October 2016

The President: Mr McKinley, as Convener, would you care to give us the Convener's Report from the People's Meeting.

Mr McKinley: Yes, indeed, sir.

10 Your Excellency, Mr President, States' Members, the People's Meeting was attended by the President, five States' Members and about 45 members of the public, three press reporters, and we were assisted by the Chief Executive and the States' Treasurer.

Would you like me to go on to the first Item, sir?

15 **The President:** No, if you would do that later please.

Billet d'État No. 1 for Wednesday, 19th October 2016

I. Budgets for 2017 and Revised Budgets 2016 – Item approved

Item I.

*The States of Alderney is asked, after consideration of the Budget Report:
to accept the States of Alderney Revenue and Capital Budgets for 2017;
to accept the States of Alderney Water Board Revenue and Capital Budgets for 2017;
to approve The Occupier's Rate (Level for 2017) Ordinance, 2016;
to approve The States Water Supply (Rates of Charge) (Alderney) Ordinance, 2016.*

The President: Mr Greffier, could you take us to Item I, please.

The Greffier: Thank you, sir.

20 Item I this evening is the Budgets for 2017 and Revised Budgets of 2016.

The States of Alderney have been asked, after consideration of the Budget Report, to accept the States of Alderney Revenue and Capital Budgets for 2017; to accept the States of Alderney Water Board Revenue and Capital Budgets for 2017; to approve The Occupier's Rate (Level for 2017) Ordinance, 2016; and finally to approve The States Water Supply (Rates of Charge) (Alderney) Ordinance, 2016.

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The President: Thank you very much, Mr Greffier.

Mr McKinley, as Convener, would you give us the Convener's Report on Item I, please?

30 **Mr McKinley:** Indeed, sir.

There were 11 questions asked on Item 1 – mainly questions seeking explanation or clarification. There is nothing seriously contentious in the questions, but I would be very happy to read them out – and the answers – if that is what other States' Members wish me to do, sir.

35 **The President:** I would like you to do that, please, Mr McKinley.

Mr McKinley: Right, sir.

The first person asked, 'Why has there been an increase of £95,000 for States' Works Department expenditure?' The Treasurer clarified that this was due to the increase in gate charges at Mont Cuet for the waste disposal, maintenance costs for the Connaught Care Home, States' Works Department administration and agricultural wages.

40

The second question was that the numismatic and philatelic profits were queried. The Treasurer clarified that the new coin tender contract – shortly to be issued – included a minimum royalty figure to be paid to the States ranging from £85,000 per annum in year one, up to £100,000 by year five.

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Question 3: 'What is the Property Transfer Duty of £200,000 from?' It was clarified that this amount is from Congé and transfer duties which have been moved from Capital into Revenue in order to balance the budget for 2017, and also for consistency once Document Duty is repatriated in 2018.

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Question 4: 'Transfer to Currency Reserve – what is this for?' The Treasurer clarified that this reserve is held in order to cover any base metal coins that are redeemed.

Question 5: 'Transfer to General Revenue Reserves – £35,000 is a small surplus for 2017.' The Treasurer advised that this is for building a reserve for 2017, as approved under the new procedures.

55 Question 6: 'What is the £50,000 quarry improvement for?' It was advised that this was for works carried out at the Corporation Quarry on the new stage and improved facilities, and the funds have already been approved and spent.

Question 7: 'What is the AEL sale and leaseback?' The Treasurer clarified that this had been approved by the States of Guernsey and is for the improvement to the AEL distribution grid.

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The President: Can I just correct you there for a minute, please Mr McKinley. I think it was approved by the States of Alderney, not by the States of Guernsey.

Mr McKinley: Oh, you are quite correct! Oh, was it? Right.

65 Question 8: 'Is the £60,000 for the outfall for Fort Doyle still included within the budget?' The Treasurer clarified that this is still part of the Mouriaux Platte Saline Works and there is provision within the budget to resolve the issue.

Question 9: '£40,000 for Impot improvements – what improvements?' It was advised that the States' Works Department are looking to reorganise the Impot, with new separation bays and also improvements to the Recycling Centre access.

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Question 10: '£40,000 for a road-mender?' The Treasurer advised that this is a provisional sum which has yet to be approved.

And the final question 11: 'Works Department Relocation?' It was advised that this is a ballpark figure included in the Budget for 2019 for the potential relocation of the States' Works Department depot from Les Butes. Again, this has yet to be approved.

75

Those are the questions asked.

The President: Thank you very much, Mr McKinley.

Mr McDowall, I believe you wish to propose this Item.

80

Mr McDowall: Yes, indeed. Thank you very much, Your Excellency, Mr President, States' Members, ladies and gentlemen.

I shall go through the Budget briefly. I will also talk a little bit about the future as well, but let me go through some of the major points.

85

Alderney, like Guernsey, is suffering from historic expenditure and reduction in revenues and taxation because of the economic situation. The 2017 revenue cash allocation from Guernsey will be set at £1.83 million, a reduction of 3% – this is in line with what is happening in Guernsey. Then there will be annual reductions of 5% going forward, hopefully not into perpetuity.

With effect from 2018, when the financial relationship starts to change and we repatriate some of the fees and revenues – I am talking about tax on real property; I am talking about Document Duty, Excise Duty and so on, which will put within our own control about £1.5 million of taxation – that contribution from Guernsey will go down to under £300,000.

90

The capital programme at the moment is funded very much by the net licence fees from the Alderney Gambling Control Commission. This is a very, very important part of our capital budget. I will come on to talk a little bit about that in more detail later.

95

There will be a net surplus in 2017 of about £1 million. That is after a transfer of about £630,000 to fund the marketing of the regulation. Revenues from regulation are up and we are looking to increase our marketing capabilities, particularly for social gaming, both of the monetary reward type and also that which is of the addictive nature.

100

We also transfer £300,000 to the Economic Development Reserve and, indeed, going forward for the next three years, we will take £300,000 from the Alderney gambling licence fees and transfer it to Economic Development, where hopefully we will use that to stimulate and support economic development.

105 The Water Board will raise about £650,000 from water rates and charges and that will cover its operating costs. The Water Board Capital Programme will continue successfully and that is funded by grants from the States. It has been about £2.3 million since 2008 and a further grant of £250,000 is anticipated for 2017.

110 I mentioned the £300,000 being allocated each year to the Economic Development Reserve Fund – that will continue. I think one or two of the more interesting aspects of that: it has been clearly used to help planning and housing strategy – very important – and also very important in the context of the big subject of discussion at the moment, the FAB Link. Some of it has been used to underwrite air routes and also to initiate one or two new initiatives. We are looking to put into commercial form next year exercising standards over technologies, particularly blockchain.

115 Moving on a little bit, the Revised Budget for 2016 will provide a modest surplus. This has been assisted by the off-set of the retention of £49,000 from the 2015 surplus. So the revised budget allocation from Guernsey for this year will be £1.884 million. The 2017 Budget, as I said, will be a reduced cash allocation from Guernsey: £1.83 million. Indeed, the Budget did show a deficit at first blush, but we are treating Congé income as revenue which I think is, from an accounting point of view, absolutely correct. For some unknown reason it has been treated as capital up to date, but I think that rectifies it and puts it in line with what I call International Accounting Standards.

125 Two or three other things that I think should be brought to notice: there will be a modest increase in planning fees and that has been incorporated in the Budget. I think the details of those are yet to be set out in an Ordinance.

The Harbour: there still is a deficit going forward and that is because of new arrangements which had to be made for pilotage.

130 Moving on, one of the perhaps more contentious issues: Occupiers' Rates. We did an in-depth study on Occupiers' Rates and the Policy and Finance Committee is proposing an increase of 5% for 2017. We have not increased the rate since 2012. We did have a reduction of 10% – I guess more of a gesture than anything – for the commercial sector in 2014. So the Committee is proposing an increase which will be below the equivalent Retail Price Index increase over the same period and it will result in additional income of £23,000. I worked that out as about a pint and a half of beer a week per individual.

135 The States' Capital Budget: we are looking to spend about £2 million in capital over 2017. The Church is one, and I think that will come up on the Billet No. 2, Improvements in the Connaught Home and Jubilee Home. The road resurfacing contract which should have been done this year has been carried forward to next year because AEL and the Water Board are digging up the roads at the moment. We also seek to make various property refurbishments, the most notable of which is the Nunnery which we hope will assist the tourist industry.

145 We are also predicting £1.3 million in additional projects: the AEL distribution grid – that has already started and I believe the main funding on that will come in 2017; funds have been made available for digital connectivity; some upgrades in IT improvement; it sticks in my throat, but possibly aircraft refuelling facilities; and some additional capital expenditure to bring us into line with International Financial Accounting Standards. This is basically there has been valuation of the assets and producing proper profit and loss and balance sheet accounts. Slightly contentiously, we have also put aside £100,000 on a match-funding basis towards the swimming pool and sports centre. I think those are really the major points.

150 What I would like to say is that this is the last time the Budget will be done in its current form. We will, as most people are aware, be repatriating a number of taxes and fees from 2018 so the budget process will take on quite a substantially different approach and process next year. That will also require Government changes, so, for example, some people may have to go into purdah on budget secrets which may be a stress and a challenge for some people on this Island.

155 I think the other important thing I would like to draw attention to is that I have included in
the Billet – only for information purposes; it is not voted on this year – the Medium-Term
Financial Plan. This is purely for information and for illustration. This has been presented as if
the repatriation had started this year. This document will be the underlying fabric or foundation
160 for the Budget next year, so it is here as an illustration this year. It will need to be tweaked for
next year, but it sets out financial projections for the years. It covers everything from risks,
borrowings and so on. It is a comprehensive document, but this will be the document which will
be the basis upon which we formulate the Budget for 2018.

It has been my pleasure to present Budgets for the last four years and this will be my last
time of doing so. Thank you very much.

165 I recommend the Budget to the States.

The President: Thank you very much, Mr McDowall.

Mr Harvey, I believe you wish to second.

170 **Mr Harvey:** I do, sir, indeed. Thank you.

Your Excellency, Mr President, ladies and gentlemen, I commend Mr McDowall on his speech
on the Budget. I do not intend to cover much of the same ground. Indeed, I do not intend to
cover too much ground numerically at all; really, just to put some of the comments on the
background and place our Budgets in context, because everything we do here, whether we like it
175 or not, is greatly influenced by what happens in our neighbouring island.

Next month, Guernsey States will be discussing the Policy & Resource Plan, Phase 1, which is
meant to be a 20-year look at their strategy. What comes through loud and clear on almost
every page is that they need to start balancing their budget, which they have failed to do for
several years now. (**A Member:** Hear, hear.) That, of course, means one of two things or a
180 combination of the two. It means to cut costs or to grow income. On the income side, as has
been said many times, Guernsey's tax base without GST or VAT is very narrow. Ours is
infinitesimal in that context. We have part of the property taxes as the only tax under our
control and that will not change greatly over the next couple of years, so our ability to grow
income from taxes – as many people will be relieved to hear – is strictly limited.

185 If we look at the cost side of things, we have got a problem there too. The Governance
Review we will be talking about later indicates that the Alderney Civil Service is significantly
under-strength. I do not think any of us in the States would disagree with that; it is not a new
finding, so our ability to cut costs there are quite the reverse. In fact, if we are to make the
executive arm of Government more effective, we will probably have to face the fact that that
190 will involve extra costs.

The one thing left open to us therefore is to grow income. The Alderney Gambling Control
Commission shows that we could do that but I am afraid that nothing will be gained by a head-
in-the-sand attitude that demands nothing can change in Alderney so everything will be the
same – it will not. The world is changing; the financial circumstances in which we operate are
195 changing and they are not changing necessarily for the better.

As I say, we will be discussing the Governance Review shortly and obviously there are flaws in
our political and executive functions but I think that the financial weakness of the States of
Alderney is a much greater threat to the future health and happiness of residents than any
tinkering with the political or executive system.

200 I commend the Budget and the specific proposals to you. I would like to thank, again, the
colleagues in Treasury for all their hard work in preparing these Budgets. 2017 and beyond will
bring some fresh and possibly even unexpected challenges, but I am sure with the team we have
in the Treasury we can overcome these.

205 **The President:** Thank you very much, Mr Harvey.

Does any Member wish to speak on this Item? Mr Birmingham.

Mr Birmingham: Thank you, Your Excellency, Mr President, fellow States' Members.

210 I would like to thank Mr McDowall, the Treasurer and her team for producing such a comprehensive Budget which indicates interesting times ahead for Alderney, particularly the Medium-Term Financial Plan as we head towards the significant changes proposed in our financial arrangements with Guernsey. I fully support those changes and I look forward to some fairly robust budget meetings in the future, as we look at the competing demands of different rate bands.

215 I am also particularly pleased to see progress made to the proposed transfer of TRP revenues to Alderney. I have always believed that this tax is quite clearly a property tax and under the 1948 Agreement that should be revenue that accrued to Alderney. In my opinion, Guernsey simply foisted this tax upon Alderney quite illegitimately and then did a runner with the cash: a good bit of Guernsey smash and grab – something we all need to keep an eye on in future negotiations.

220 I would just like to highlight three issues. Firstly, revenue income, as mentioned by Mr McDowall, from the BDCC. As indicated in the Report, the Budget assumes increases in fees for the Planning Department. A new schedule was discussed at yesterday's BDCC meeting and I hope to be able to bring that towards the December States' meeting for approval.

225 Secondly, with continuing increases in Mont Cuet gate charges, it is vital that we develop a modern-way strategy and we must again look at options such as Jersey incineration to cut costs.

230 Thirdly – and unfortunately – my old favourite, the Water Board: I am pleased that the Water Board continues to show an operating profit, but unfortunately it is nowhere near enough. Also, a forecast projection shows the operating surplus dropping for 2018 and 2019. My view has always been that the Water Board needs to generate significantly more income to cover future capital works and yet we are still funding Water Board capital projects almost entirely out of the States' capital pot.

235 For at least three years, I have raised this issue but have supported the Budgets due to a period of transition with new working practices and the introduction of new equipment. But those changes are bedded-in and we now need to start treating the Water Board as a standalone entity. I believe the revenue surplus needs to be in the order of 10% of turnover and not the 0.5% projected for forthcoming years. We need to return to the series of above inflation rate rises that the States undertook at the start of the decade but have since chickened out on. A simple agreement of a 2.5% above inflation for four years of the next two States would significantly help matters without, in my view, imposing an undue burden.

240 So, unfortunately, I find myself in a position of not being able to support either the Budget for the Water Board or the proposals for next year's water rises. The fees have to increase and the longer we wait, the greater the pain and the harder it becomes.

Thank you.

245 **The President:** Thank you, Mr Birmingham.

Does any other Member wish to speak on Item I? Mr Jean.

250 **Mr Jean:** Your Excellency, sir, fellow Members, ladies and gentlemen, I am concerned about several things, and I will start on pay settlement awards. There are very few awards in the private sector and I am concerned about any to our own sector, so I think we should be very careful about this.

255 I am also not happy about Congé being taken and being used the way that it is – I think it is wrong. Whilst I raise that point, one of the things that I hope will happen when we bring some of these finances back to Alderney is that we will look at how and if it is possible to do away with the Guernsey side of the tax, because this is an example where Alderney pays two taxes on property sales and this is without doubt a retirement to property sale in this Island and a very big drawback. My colleague, Mr Simonet, used to be very keen on that at one time. We might hear from him this evening.

260 I am also concerned about any rising of fees within Building and Development Control on
new works, and I will explain why. We regularly look – or I regularly look – at the Gazette Official
and I see only ... I have explained it this way before, and I think you understand and you probably
know that what I am saying is correct, because it is important that it is said and that is that we
are in a situation where there is only usually a tree removal or a shed panel or a small shed to be
erected or a fence panel and that is basically what is in the Gazette Official for this month. So
265 that is something I will be looking at with interest. I am very concerned and I do not think these
fees should be raised. I also feel this may result also in less work for the construction industry.

I am also sorry to hear that at the Harbour, the pilotage issue has not been resolved. I think
we must try and think in a different way about this and we must try to look at other ways to try
and resolve this because we really cannot have a situation where we are bringing in finance from
270 Guernsey forever. It is neither self-reliant nor is it good practice.

I am also very interested in the coin and stamp sales, and I understand discussions took place
over our share percentage of the royalties. I would like that to continue being resolved as there
seems to be some discrepancy. A lot of work was done on this voluntarily by a very kind member
of the public for us and I am very interested in seeing that pursued. If it is correct, that should
275 come back to us.

You have already raised this evening, Mr McDowall ... I am supporting this Budget. There are
some interesting things happening. There is an issue now in P&F. I did not support the rises in
either rates or water.

Let me explain some of my concerns. We have got a bit of a double whammy situation
280 coming along and that is disturbing me because as we do this ... I am told that there was no
communication between T&R Guernsey and Alderney and I am concerned about that. Because
we are in this situation here in our meeting of raising two of our rates – water and rates – and in
Guernsey next month they are also coming with another two or three proposals that are going
to affect Alderney. In fact, there are three: fuel and TRP, domestic and commercial. I think it is
285 5% on domestic and 10% for commercial. (**A Member:** The other way round.) What I am saying
is that we are in the situation where we find ourselves caught between two stools: two
Governments coming with significant tax rises for Alderney and I am very concerned about that,
I really am. I do not know what to do about it, but I think you are going to have to try and do
something.

290 I am delighted to hear of the blockchain technology. It seems to be out of our £300,000 being
spent annually. I was never really very keen on it, but there does seem to be something coming
out of it which does please me.

Again, I see more mention of wages off-set by the recovery of in-house labour and
supervision on capital projects which is probably a little better there.

295 AEL always causes me concern, as you well know.

I think that is all that I have to say. I do put out a marker that, in future, I would like to see
better communication between our Government and Guernsey's with regard to any rises. We
are in this situation this year where it is all going to come at once. I am not very happy about
that.

300 I was actually, at one stage, offered the chance to put together, at P&F, an alternative
Budget. If you would ever like to take me up on that opportunity, I would be more than willing
and, as I said, there are certain items I would hook out and deal with in order to ... What I would
like to try and achieve and see us achieve is to try to hold back on some of this capital amount –
gambling money, what little we have – because slowly over the next few years I do see that
305 being eroded at 5% per time and 3% for 2016. That does concern me because what I feel is, as
we are trying to drive towards a solution to our transport problems, we are in a situation where
each and every year that we do not do it, we are actually getting weaker. The most crucial thing
that I think we can do to make an economy strong is to sort out our transport costs. We do have
one gateway that is open to us and entirely under our control. We have had some interesting
310 proposals and that is down at the Harbour. I believe that something could be done fairly swiftly

there. Four years have passed by that I have been here in this House and we have not yet done it. I am grateful that the States now addresses in its budget other solutions to transport, because it must not be one thing that we look at; we must not keep looking at the airport. I think the airport and Aurigny are longer term and I tend to think that we could move and we could do something down at the Harbour which would really benefit these businesses and people who live in Alderney, who are now most clearly going to be charged more by Guernsey – and I understand that. But we must try to get the strength back in the community to withstand winters where those businesses survive largely on what they have earned during a short and difficult summer. We know these summers are difficult because we have very little in the line of ferry service and a very difficult airline service as well.

Thank you, sir. Thank you, Your Excellency and fellow Members.

The President: Does any other Member wish to speak on Item I? Mr Rowley.

Mr Rowley: Yes. Thank you, Your Excellency, Mr President.

Mr McDowall, thank you for the Budget. It is not usually my strong point, but I am very pleased to see that you are actually putting aside some money to spend on the proper maintenance and restoration of some of our most important buildings: the Nunnery. Also, that we are actually reaping the benefits of investing in AEL and they are now restoring the grades of their proper, up-to-date electricity grid which has been neglected for decades, and a set of new substations which are long overdue, and it is very welcome.

I think that is really all I have got to say. And the Church, which will be coming up later.

The President: Thank you, Mr Rowley.

Mr Tugby, you wish to speak.

Mr Tugby: Your Excellency, the President and States' Members, I am very concerned basically about what is going to happen in the next few years with this present Budget and also what happens when we take back more of our finances from Guernsey.

At the present time, we are not breaking even, basically, because we could not have broken even this year if we had not taken over the Congé money to actually balance the books, which is not looking very good for the future.

We are going to have our money cut on a regular basis from Guernsey and we will take back certain income that Guernsey is presently getting, but what is proposed in the future? More civil servants, which have all got to be paid for, and everything else that is going to happen. Where are we going to get the money? We say we are going to generate extra income. How are we going to do it? I have not heard anybody say how we are going to generate extra income.

Without extra income coming in, where are we going to go from here? If we do not get the extra income, what is going to happen? The people are going to have to pay more taxes. It is already creeping up this year, because we have got a deficit and we cannot go into the red any more. We have got to find money from somewhere. If we do not actually control our expenditure and we use the money from Guernsey and our TRP – or whatever the new rate is that we are going to have in Alderney – decreases, we are short of money. What is going to happen?

At the moment everything is relying on the gambling money for any future development or anything like that. If we were to even lose a slight amount of that, we have got major problems. We will have taken it away ... Guernsey seems hell-bent on us taking over our TRP and that. Yes, because if it all goes pear-shaped in a few years' time, they will not get the blame. It is us that will have to pick up the can. How many of the people will stay here if we continue putting up the taxes? Because that is what will happen.

At the moment, our airline is a total shambles and until we address those problems – the airline and shipping – we are not going to attract new business in Alderney, I am afraid, unless

we are very, very lucky. Two years ago, I was assured, when I was going to stand for the States, that major things were going to happen and we would be getting a lot more income. That was
365 one of the reasons I stood again. I thought, 'Well, I have been here for the bad part, I might as well be here and give it a go for the good part.' But lo and behold, what has happened? We have gone backwards, I am afraid. We do not seem to have the courage to stand up to a vocal minority sometimes. We are looking for extra income and yet we have turned down the chance of losing £70,000 on a yearly basis by not standing up.

370 The other night at the People's Meeting, a question was put to the Chair about what was going to happen and the Chair actually said that we were going to ... He asked the audience what was their opinion and one of the vocal speakers at that meeting said, 'You are the Government. You should be telling us what to do!'

375 **The President:** Mr Tugby, can you keep your remarks to the Budget, please.

Mr Tugby: Well that was on the Budget at the People's Meeting. (**The President:** Just ...) Okay. So where are we going to get this extra money, unless we improve our business within Alderney?

380 If we have more civil servants, that is going to require more money. There are extra ones floating around as it is, plus consultants that we have been employing. There is a limit to what we can do.

A couple of years ago, we spent £¾ million streamlining things on the advice of consultants. They came over here and advised us what to do, and now we have had another consultant
385 advising us to go the other way. Where do we go?

I think it is time the States took control and made decisions. You can never actually satisfy everybody, and if you upset some people so be it because there is no way we can satisfy everybody. We must just accept that.

I will save a bit more of what I have got to say for later on, in some of the other things, sir.

390 Thank you.

The President: Okay. Thank you very much, Mr Tugby.

Does any other Member wish to speak on Item I? No other Member wishes to speak on Item I? Very well. Thank you very much.

395 Mr Greffier, would you please take the vote and could you take these four items – sorry, would you like to exercise your right of reply, Mr McDowall?

Mr McDowall: Yes, I would, if I may. (**The President:** Please do.)

Thank you very much.

400 Yes, I feel obliged to certainly respond to some of the comments. I think we have a slight philosophical difference over the Water Board. That will have to be accepted, Mr Birmingham, but I do hear you loud and clear.

With regard to pay settlements, I think they are extremely modest at the moment and, in fact, it looks as if they will be going onto a freeze over the next year. (**Mr Jean:** Thank you!)

405 With regard to Congé, Congé is a source of income, it is not a capital. Candidly, it has not been correctly treated from an accounting point of view to date, but I do hear the anxieties.

With regard to the lack of co-ordination on budgets, I am afraid Guernsey would not tell us their budget secrets. We would be very happy to tell them ours, but ... Certainly from next year, it will be very important that we do have some form of co-ordination and I think some of the
410 governance changes will need to reflect that co-ordination, particularly on some of the more emotive things like excise duties and property taxes.

I understand Mr Jean's anxieties, as with other property owners, on increase in building fees. I actually think these will be relatively modest in numerical terms, particularly for what you call the routine trees and windows savings. The larger increases will come over more substantial

415 development, but that is actually part of the normal capital cost of development. But the small
things: the trees, the windows, the sheds and so on, the proposed increases are in fact relatively
modest – and I see Mr Birmingham nodding sagely on that point.

420 With regard to the philatelic income, there is a long-running sore on this going back to the
1990s and, as I say, we have been extremely obliged for help from a member of public who is a
philatelic specialist – I must get my tongue around those words. In fact, we will be having the
Head of the Guernsey Post Office, Mr Boley Smillie, over here for a meeting later in November
and hopefully we can put that to bed once and for all. I do share your anxieties on that, Mr Jean.

425 TRP is a thorny issue. Property taxes, I am afraid, are the way that the Channel Islands
generally seem to be going to supplement its Income Tax. They do not want to dip into Capital
Gains or Inheritance Tax as these things that burden people in other jurisdictions, so they are
looking at property taxes. In fact, one of the big challenges for the next States will be to come up
with some form of harmonisation of existing Occupiers' Rates and the TRP, which is going to be
repatriated as well as streamlining the 26 alternative choices of where TRP can be allocated.

430 I think that is really all I have to say, other than I do share Mr Tugby's real concern on
revenues and non-tax revenues. There are opportunities to do that. It does require, sometimes,
taking risks and investing capital, and that is the challenge with that; there are risks in doing
that. I have always been a little bit of risk taker, but one is often held back by the prudence of
others, but yes that is really the only and main way that we can continue to achieve a balanced
budget not by raising taxes, Mr Tugby. I am afraid I agree with you entirely on that point.

435 I commend the Budget, if that is the right word, and I would like thank everybody for their
contribution.

Thank you.

The President: Thank you, Mr McDowall.

440 Mr Greffier, if you would put that to the vote and take that as four separate items, please.

The Greffier: Thank you, sir.

The Budgets for 2017 and Revised Budgets of 2016. Firstly, the States of Alderney are asked
to accept the States of Alderney Revenue and Capital Budgets for 2017.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	None	None
Mr Birmingham		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mr Roberts		
Mrs Paris		
Mr McKinley		

445 **The Greffier:** Sir, that motion is passed.

Secondly, the States are asked to accept the States of Alderney Water Board Revenue and
Capital Budgets for 2017.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	Mr Birmingham	None
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mr Roberts		
Mrs Paris		
Mr McKinley		

The Greffier: Thank you, again. That motion is passed.

450 Thirdly, the States are asked to approve the Occupiers' Rates (Level for 2017) Ordinance, 2016.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	None	None
Mr Birmingham		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mr Roberts		
Mrs Paris		
Mr McKinley		

The Greffier: Thank you, again. That is passed, sir.

Finally, the States are asked to approve the States Water Supply (Rates of Charge) (Alderney) Ordinance, 2016.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	Mr Birmingham	None
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mr Roberts		
Mrs Paris		
Mr McKinley		

455 **The Greffier:** Thank you.
Again, sir, that motion is passed.

The President: Thank you very much.

**II. Alderney's Choices –
Report on the Governance Review –
Item debated without resolution**

460 **The President:** Monsieur Greffier, could you introduce Item II, please.

The Greffier: Thank you, sir.

Item II this evening is the Report from the Governance Review, 'Alderney's Choices'. A letter has been received from Mr McDowall, in his capacity as Chairman of the Policy and Finance Committee, and he has asked that the Report, 'Alderney's Choices', be debated by the States without any resolution.

The President: Thank you very much.

Mr McKinley, as Convener, were there any comments on this Item?

470

Mr McKinley: There were, sir, yes.

The comments on this Item included: 'From the 2012 Stephen Taylor Report, little of the Report has been implemented. The Governance Review Report by Mr Andrew McDonald, presented by the President, identified a number of deficiencies. This went to P&F in September but the funding was not approved to progress further with the Governance work. We feel, as the electorate, we have not been consulted – where do we go from here? The States' Members need to explain why they supposedly know better. The Review will not be fit for purpose if not done now. The right structures need to be put in place for what is best for the Island and its future.'

475
480 The Convener acknowledged that this was a good Report from Mr Andrew McDonald and that it is an important issue that will be discussed again at the next Policy and Finance meeting this month on 25th October. Mr McDowall stated that this was the only opportunity for the current Members to discuss their views on the subject before the next election. It was clarified that there is funding available from the EDF for this Review. The Convener stated that the Members were not fully prepared and informed of all the papers and reports from the previous Governance Review public meeting before discussing at the September P&F meeting.

485 A further comment made was, 'There is strong support for this Review. There will be potentially dramatic changes, but this shall create a more effective States and help to facilitate the States of Alderney.'

490 That is all, sir.

The President: Thank you very much, Mr McKinley.

Mr McDowall, would you care to introduce the Report.

495 **Mr McDowall:** Yes, I would. Thank you very much indeed, Your Excellency, Mr President, States' Members, ladies and gentlemen.

The Constitution Unit of UCL published a Report on 12th September, 'Alderney's Choices', to broadly positive reaction from the public and the media. It made a very strong case for the radical democratic reform of Alderney's political system and for strengthening of its administration.

500 At the subsequent meeting of the Policy and Finance Committee, a decision was taken that Members wanted more time to explore this particular proposition and, as was said in the Convener's Report, it will be discussed at P&F on 25th October.

505 I have had a very full – both paper and electronic – post bag on this matter from all sections of the Alderney community. I did not bring the electronic ones with me. I have one here from the Chamber of Commerce. They did a survey in which 65 Island businesses took part: 98.5% supported the belief that Alderney is not being governed in a satisfactory manner, and 95.5%

confirmed that Government reform is needed – and I have variations on that that I have received in electronic form from all different parts of the Alderney community.

510 I put this on the Billet because this will be the only opportunity before the November elections in which the public will have the opportunity to hear what sitting States' Members would like to say in terms of reform of Government and administration in Alderney.

I think there are four key questions to ask. Are States' Members in favour of vigorous open debate on political reform, leading to radical change in the way that Alderney governs itself – changes which will give Alderney stronger political leadership? Is the States willing to reform the Civil Service so it has both the capacity and the capability to give full effect to decisions of the States? Does the States wish to tighten protection against wrongdoing in public office and, more importantly, open up the workings of Government more effectively to the public? And, I think, are States' Members willing to demonstrate their commitment to the reform agenda by backing this particular proposition from the Constitutional Unit at UCL in terms of starting this Review before the end of the year?

520 I would just like to make two or three other points. Some people may argue that we cannot afford the changes. Alderney cannot afford to stand still. It needs to face the future with strong political leadership, clear democratic mandate and effective Civil Service. The reform programme can be delivered by drawing on economic development funds. A good sound Government administration is part of the underlying fabric to attract economic investment and that is a very important component of this.

525 There was mention of the Taylor Report. The Taylor Report is actually not about fundamental constitutional reform but about restructuring of the Civil Service. It was approved. Some elements have been implemented but a lot has not.

530 Finally, my personal view is I do not think the States can deliver the reform on its own without external advice. I do not think it will look credible to the public, and it has not been achieved anywhere else. The Civil Service, as has been mentioned already, is already greatly overloaded and it does not have the expertise on constitutional reform.

535 With that introduction, I will hand over to debate.
Thank you.

The President: Thank you, Mr McDowall.

540 Does any Member of the States wish to speak on this? Please.

Mrs Paris: Your Excellency, Mr President, fellow States' Members, ladies and gentlemen, I want to say straightaway that I think it is very important – and I want to say this as clearly as possible – that I support a review of how governance is conducted here. I cannot possibly deny the accuracy of many of the findings in UCL's Report. I have my notes of the points I wished to raise in my meeting with Andrew McDonald when he was researching matters. Many of these are then addressed in his Report, albeit with a couple of glaring exceptions, such as female representation.

545 Of course, it goes without saying that the States and the Civil Service should seek to operate competently and to high ethical standards at all times, and be brought to account by the transparency of its operations. However, these standards must apply just as much to anyone who is telling us how to improve ourselves as they do to us as a jurisdiction. This has not always been the case. I quote from UCL's Report:

First, I would ask you to set aside ... any [doubts] you might have about how the report came to be written ...

That is actually on the first page.

555 I would ask, was it really discourteous that a Report commissioned and paid for by the States should be put into the public domain before States' Members had the opportunity to read or discuss it?

I would ask again, was it reasonable that the protocols on how long before meetings Reports should be available to States' Members for scrutiny were then substantially breached?

560 I ask again, should the need for agreed budgets before any work commences – consultancy or otherwise – have been ignored?

It is truly one of life's ironies that as a result of refusing to abandon the States' agreed due processes and insisting on waiting until the October P&F meeting to discuss matters, we have been accused of not wanting to do anything at all. Believe me, I am not complacent about this, we must face up to the challenges highlighted, but in my opinion the UCL Report is harsh and a sad note to bring to an election season. This is especially true when it can be seen from the notes attached to the 2017 Budget on this month's Billet that the States have actually achieved quite a lot and in a really quite professional manner, not least with the imminent changes and the financial relationship with Guernsey.

Two years ago, in his previous newsletter, the President wrote:

We live in one of the most democratic places in the world.

570 And he quoted a previous Solicitor General as describing Alderney as:

The most open, democratically functioning constitution in which he had ever worked.

These, I have to say, will have to be taken as words of comfort, which the five ongoing Members of the States should keep in mind as we go forward with our either new or re-elected colleagues in January, all the while acknowledging that we could and must do better.

Thank you.

575

The President: Thank you, Mrs Paris.

Does any other Member wish to speak on this? Please.

Mr Harvey: Thank you, sir.

580 Your Excellency, Mr President, ladies and gentlemen, the McDonald Report did not, of course, materialise out of thin air. It was part of that Economic Development Plan that Mr McDonald seemed to have overlooked – ironically – which was published early in 2015 and which the Chief Executive and I held public meetings about – so much for that particular issue!

585 But it has to be seen in context: it is not a single Report; it is part of a continuum, as others have referred to. We cannot go too far back but certainly I think it is legitimate to go back to the Home Office Report of 1996 which said there were far too many committees, often dealing with day-to-day operational issues, and the degree to which States' Members were making decisions was quite unbelievable in those days. It reflected the probably even smaller Civil Service, but nevertheless there were no annual priorities, there was no committee responsibility for policy and there was not a great deal of public engagement beyond the People's Meetings, Part 1, to explain the Billet.

590 Fast forward to 2012, a year of particular interest to me because it was the year when I first started thinking about standing for the States and decided not to jump off the breakwater but stand for the States instead! (*Laughter*) At that time, the Taylor Report did come out – although obviously, not being in the States, I was not aware of it – which said that there was no strategic planning, no accurate demographic data, lack of community engagement. As I was interested in the States, I took it upon myself to try and find out a bit more about what was happening. I went to the People's Meeting, which did not tell me a great deal beyond the Billet Items, because there was not a Part 2 at that stage. I looked on the States' website for minutes of meetings and I found that they were typically two months out of date and, when you did finally get to them, 80% or 75% of the detail was redacted because it was confidential and never did appear in those minutes.

600

Let's move on to the end of 2016 and where we find ourselves now. We have an Economic Development Plan, launched publicly in 2015 and updated regularly since. We have reduced the number of committees to three plus two subcommittees. The People's Meetings now are much better attended. We have non-Billet items and an opportunity for written questions. The Chief Executive has committed to publishing minutes of meetings on States' website within two weeks of the meeting, and I suspect any delays there are purely resourcing issues rather than any desire or intention not to fulfil that obligation. We have better financial controls, including the States' employee pension scheme – in much part thanks to Mr McDowall.

So, does this mean our political and executive functions are perfect? Of course not, there is always room for improvement and probably room for quite a bit of improvement, but let's get it into perspective. There was often, over the last four years, a suggestion that the States were divided and could not actually agree on anything. Mr President, you will know better than anybody else how often you had to exercise your casting vote, and I suspect it was one or less occasions. Please do not confuse debate with division. Yes, we debate matters; we debate them publicly; we debate them, sadly, sometimes through the pages or the airwaves of the media, which is not always entirely accurate, but we do debate these things in a fairly public manner and we ultimately, generally, either receive a unanimous decision or one that is a strong majority.

Obviously, on occasion, we will be approached by people with particular plans and schemes. They are considered by the States. They are usually considered in great depth and they are usually decided on democratically so that, if people do not like the answers they get, they are probably inclined to think it is the system that is wrong rather than the proposal.

Whilst working within a system with 10 independent Members can be frustrating and at times slow, I challenge the author of this Report to show us any real evidence those 10 individual Members cannot come together when necessary – at least in majority – to promote this Island and the economy of the Island.

Looking a bit at the Report in slightly more detail, there are a number of issues which were tabled by Mr McDonald for action under phase one, i.e. before the end of this year. I will take the three of them in turn. Transparency: open committee meetings to the public. Well, that is something I have long supported, but I know not all of my fellow Members are comfortable with the idea of opening committee meetings to the public. Perhaps BDCC might be one case I know that has been discussed where next year progress could be made on that.

I think equally the committee system we have got into with 10 Members – all States' Members – being on Policy and Finance, we have long been aware of the dangers of that when it comes to the States *in camera* and probably too many decisions have at times been made in Policy and Finance – albeit minuted subsequently – rather than in this Assembly in the full gaze of the public and the broadcasting media. I think there is work that can certainly be done on that and I would not for a minute suggest the committee system as it currently stands is not in need of some review.

Quicker minutes published are resource issues, as I have mentioned before, not unwillingness. It is probably an ability to do better on the minutes.

Proactive publication of budgets, plans and contracts: well, the first two happened already. They are already there. The budgets are in great detail on the States' website – and our plans. I think that the issue of publishing contracts does have an attraction but again I suspect there will be a resourcing issue for the Civil Service, but I would certainly be happy to support that as a principle.

Then we come to a real biggie, which is the appointment – or proposed appointment – of a Commissioner for Standards in Public Life. There are real cost and proportionality issues here. I took the trouble to research Commissioners for Standards in Public Life. I could only track down two within thousands of miles: one covered the entire UK and the other one, bizarrely, covers Scotland. As Mr McDonald worked in helping to set up the Scottish Parliament, I guess that he has an affinity. Whether actually it is holding out the Scottish Parliament as model of efficiency

655 and effectiveness, I am not quite sure, but there we are. I think, frankly, the cost would be
massively out of scale for Alderney's needs. We do need Alderney solutions for Alderney
problems, not international standards or compliance ones.

So much for transparency – work in progress. We have made progress over the last four years
but there is more to do, of course.

660 Ethics: as I have already said, personally I would reject the disproportionality of the
Commissioner for Standards. It is not possible to say whether the Members' Conduct Review
Panel is fit for purpose for the simple reason it has never considered any of the various
complaints made to it. There should be a greater willingness to use it. It probably does need a
665 review and the penalties open to it, but it is clearly difficult in a small Island and an even smaller
States where there is perhaps a reluctance to take action against those who are seen to be doing
their best for the Island, albeit not always as competently as some of us would like. It does need
reviewing though, but to reject it and suggest it be dismembered, without it ever having been
tried, seems to me bizarre.

The Register of Members' Interests should include non-financial interests. I certainly could
670 not disagree with that and it should go further. I support Mr Rowley's suggestion put but then
withdrawn at the previous P&F that the Register should be extended at least to Bailiwick-wide
interests and I hope that is something we can bring back to Policy and Finance and show that we
are extending the range of the Register of Members' Interests, at least for the Bailiwick if not
beyond.

675 Declaration of gifts and hospitality to be published on States Members' webpages: I have no
objection to that. I have never had so much as a free bottle of beer out of some of the people
we have to deal with. *(Laughter)* There are dangers of course in this hospitable Island that a
person with whom, in all innocence, one has had lunch and provided hospitality to over many
years, you suddenly have to start recording what he ate. But I think that as long as we keep a
680 sense of proportion about it, I see no reason why it should not be included in the website.

Finally, the recommendation for this year was the induction programme for new Members. I
have supported a lot of this for some time. I remember my own induction. It was, shall we say,
slightly chaotic, but I got the idea generally. Do we really need to pay a London consultant to
achieve this? Once again, I think it is a resourcing issue for the Civil Service. I am sure there are
685 plenty of willing helpers. My own appearance in these assemblies may be limited either
voluntarily or involuntarily. Either way, if I am no longer part of this Assembly, I would be very
happy to work *pro bono* for a while to help anybody who is developing an induction programme.
I think it is a danger of over-engineering to bring consultants in for that.

What is the way forward? Well, we will be discussing at Policy and Finance next week. The
690 Rules of Procedure in the States' meetings do not really allow the sort of – one might call it –
debate or free-for-all which happens in less structured meetings, but they do produce some
useful outcomes and, of course, we would hope the detailed minutes will be published as soon
as possible after that meeting.

I think we should map out a programme of priorities for the remainder of 2016 and the broad
695 scope beyond including, of course, public engagement. I do think we have to be a little careful
here, because there is a feeling abroad that a change of Government is another magic wand
which will transform our fortunes. It will not. Mr McDonald's Report, rather like his Brexit
Report, is quite long on analysis – most of it reasonable, some of it one could question – and
very short on solutions. The only solution he has proffered is that committee structures have
700 largely been abandoned by local authorities in the UK in favour of a cabinet-style of government.
Well, Guernsey have had endless debates on that and, rightly or wrongly, have decided to stay
with a committee system rather than a cabinet-style. Jersey went for a cabinet-style of
government which has been under strong attack recently and almost inevitably by those States'
Members who are all Deputies or Senators who are not actually members of that cabinet. It is
705 not a simple issue, but I think it does need to be considered.

710 How we take this forward, I would agree with Mr McDowall that, while we should have input
to it, it needs to be led by somebody who is independent from the States, who has no axe to
grind and who has credibility. I have suggested to Mr McDowall and others that we should look
again at the services of Mr Stephen Taylor who is well-known to the States and States' Members
here over a number of years. He is highly respected in Alderney, in Guernsey and in the UK, and
he has a deep knowledge of Alderney's particular political and executive problems and
opportunities. I suspect, if we could engage him on this – he is already engaged on the financial
relationship review, suitably costed and agreed, as Mrs Paris rightly points out – then I think we
715 could get a fit-for-Alderney solution that we could then certainly seek public engagement on, if
not earlier – he would probably wish to engage the public earlier. But we would get an Alderney-
appropriate solution that meets our needs and not some international standards.

In conclusion, undoubtedly Alderney's Government can be improved. It is very clear to me
that, as I have mentioned earlier, far and away the biggest problem facing us is not political
weakness, but financial weakness. The ability of the States' Members to meet the legitimate
720 needs of Alderney's population is inhibited much more by our lack of tax or other income than
by any internal political dysfunctionality. I would warn again against those who believe there is a
magic wand, whether it be from Mr McDonald or any legion of consultants.

Thank you, sir.

725 **The President:** Thank you, Mr Harvey.
Does any other Member wish to speak on Item II? Mr Rowley.

Mr Rowley: Yes, thank you.

Your Excellency, Mr President, I have not got a lot to say about this because we have not
730 really discussed it at much length, but there are one or two things I would like to take issue with
Mr McDonald. In section 3, paragraph 3.1, where he compares Alderney to a local authority in
the west of England, he makes the point that we have 10 representatives which is
proportionately a lot higher than the equivalent jurisdiction in Somerset which:

... has an electorate of 34,000 who return 28 councillors ...

735 I think the point to be made there is that below a certain population, you actually need a fairly
healthy minimum of people on the States to avoid the whole thing being taken over by one or
two Svengalis or dominant personalities, and we have experienced that already here. This is why
we returned to having 10 people on Policy and Finance, so that you do actually get a decent
number of people who can stand up to the more dominant personalities that may emerge.

740 The other thing was on the issue of transparency ... Thanks to Mr Harvey for mentioning that
I put forward to increase the scope of the Register of Members' Interests at the last Policy and
Finance Committee meeting. I withdrew it because I was not on the Island, so I will put that back
on to extend to the rest of the Bailiwick or the rest of the Channel Islands or the UK at the next
available time.

745 Another point I would make is that we have a very small population here and this is probably
a jurisdiction that has the best accessibility to States' Members of any that I have certainly come
across. You can actually run into your representatives. You see them walking around the streets,
so you cannot avoid them sometimes, and they will follow you around and harass you if need be
(*Laughter*) but they are always there and telephone numbers are freely available on the States'
website. I do not know about our addresses, but mobile phone numbers, so you can get people.
750 I have known people who have been rung up at midnight and threatened on things like building
issues and stuff.

As well as being accessible, it is two-edged sword. It also makes people susceptible to
pressure from ... It is not so much what is happening within the Government, it is what is
happening within the public that can be a danger, because people have a lot of influence where

755 they should not and you need to develop quite a thick skin to actually be able to resist some of these ... 'blandishments' is too soft a word, really.

One thing that has been – in light of the current developments, what is going on, topical issues ... We are not very good at standing up to pressure groups and we do not like to upset our friends down the pub or on the cocktail party circuit and things like that. It is a sensitive issue
760 with a small community. You are constantly dealing with people who you went to school with or whose sister you are married to – whatever it is. I get around it by trying to be as obnoxious as I can. *(Laughter)* Everybody gets it equally, but some people take in and it seems to be obvious. We have to stand up to pressure from those who have the loudest voices and the wildest eyes, sometimes, and this is what you get a lot of the time. I would just like to make that point. The
765 same old accusations come out every time –

The President: Mr Rowley, as interesting as your discourse on the public is, would you please restrict your comments to the reform of Government. You are talking about the public at the moment.

770 **Mr Rowley:** What I am trying to say is that we actually are a transparent Government in just about every way and constantly accessible to the people it represents.

I am also trying to say that, because of the nature of some of the interaction, it is not easy. The pressure comes from outside. Some people deal with it better than others.

775 I think that was just about it, really.

The President: Thank you, Mr Rowley.

Does any other Member wish to speak on Item II on the Billet?

Mr McKinley.

780 **Mr McKinley:** Thank you, sir, Your Excellency, Mr President.

I will keep it very short because a lot of the things that I wanted to say have already been said. I think that a Government Review is essential. I think the sooner we do it, the better. I cannot comment on matters relating to the Civil Service. I leave that to the Civil Service. But, as
785 reforming the Government, I have only been on the Government for less than two years and I have to ask a number of questions: why do we have 10 States' Members? Well, Mr Rowley has mentioned that but I do not necessarily agree with that and no doubt we will discuss that on the 25th.

Why are all States' Members on the Policy and Finance Committee? I do not necessarily
790 agree with that. All States' Members can sit in on the Policy and Finance Committee but they perhaps should not be Members of Policy and Finance Committee. The perception is that important decisions are made behind the scenes when in fact they should be made here, and in that respect I agree entirely with what Mr Harvey has said. We should have open debates here in the Court and I do not think that we are a transparent Government at the moment, Mr
795 Rowley, I am afraid. I think we should be more transparent.

I think that Committee meetings should be open to the public. That was suggested. That was agreed, I think, over a year ago, yet when we tried to put it into practice in one of the Committees I was on, four of the members of that Committee of only five voted against it. I think that we should try it on some Committees. They will not be allowed to say anything during
800 that meeting but they will be allowed to sit in and watch the procedure and follow the debate. Obviously, if there is a confidential item, which will probably be held at the end of that meeting, they would be asked to leave the room. So I think we should be looking at that. We have moved on a little bit. I know I was criticised very much at the People's Meeting last week, but I think public consultation is most important and I am glad we now have a second part of open
805 questions for that People's Meeting.

I think we should be considering the employment of on-Island consultants. We have a mass of adequately qualified and well qualified people out there who actually could help us enormously in some of the areas that we quite often seek – I will not say overseas assistance but – assistance from elsewhere. Perhaps we should look, first, here.

810 I think that the Economic Development Plan and the Island Plan should be made available to the public and I think there should be a little bit more detail in those plans.

I think that we have tried surgeries in the past. I believe they failed because nobody bothered to turn up to them. In that case, we did try, but nobody turned up.

815 As far as those standing for the States, a lot of people out there are critical of the present States and possibly the present States' Members, but maybe they ought to stand for themselves. There are some very well qualified people out there who could do a lot of good and have a great love for this Island. I know some of them possibly are in the public gallery today. With regard to whether they are male or female, I really do not mind at all. *(Laughter)* As long as their main objective is for the interests of Alderney, that is the principal one concern that I have. I would
820 also say that I think we need a lot more younger people. At the end of the last elections, I went to have a celebratory drink in one of the pubs here and actually met a lot of younger people, under the age of 30 – 25 to 30 – and asked them if they were happy with the result of the election and they said, 'We did not even vote.' They were not even on the Register. So I would say, please, younger people out there, if you are listening to this, if you are not in the pub at the
825 moment, do consider getting yourself on the Electoral Roll and standing.

Finally I say, if we cannot get our Government right in the next few years, perhaps the only other option is what is often being suggested by the States of Guernsey and it is to become a third parish or another parish of Guernsey. Do we really want that? No, I do not think we do and I think we want our own super-efficient, streamlined Government, and if it costs a bit of money,
830 it is well worth the cost.

The President: Thank you, Mr McKinley.
Mr Jean.

835 **Mr Jean:** Well, that was a marvellous speech, by the way, Mr Harvey and Mr McKinley, if I may say. **(Mr McKinley:** Thank you, sir.) Two very good speeches, excellent.

Cost: £71,000, if we want to do this. First of all, let me clear up one thing: I am all for Government reform; I always have been. I mentioned the reports that we have on file. Everybody knows that. I talked about the Report which I contributed to in the 1990s. I made my
840 contribution to the Home Office Policy and Constitutional Review Unit.

Like Mr Harvey, I see the weaknesses in this Report: lack of ideas; the fact that so much of it is elementary and things that we should be doing anyway. We can do them; not only that, we can do them starting in January, so if anybody thinks that I am against Government reform, I am certainly not.

845 What I am against is what I regard as a substantial spend to tell us how we reinvent the wheel. It is all there. We need to do it, but what do we need to do? Let's just look.

This was put before us – a paper regarding the expenditure – on 20th September, long after we had received our Agendas. I used the Rules of Procedure to say, 'No, I am not in the habit of picking up a seven-page paper at a P&F meeting for immediate decisions when I have to have a
850 chance to look through it. It is not on!'

A lady, apparently, was invited to the Island as well as part of this Review. We were not informed. The first I knew of it was the day that she was literally due to come.

It is not that I would be against Government reform, and we can implement many of these things in January. We can get on with it and do it. They could be implemented immediately.

855 Let's us take Declaration of Interests: let's include the Bailiwick; let's get on and put in international interests; let's tighten this up – and company interests. Let's do it in January.

860 Again I say, do we need a £71,000 spend on ourselves, on our Government, when we have other very serious pressing matters? If we dealt with those first, then we can pretty ourselves up in the mirror. Myself, if I tried to do that, I think I would end up on the Most Wanted List but nevertheless. *(Laughter)*

When I came back to the States in 2013 – and here we are where I am getting to the reinvention of the wheel. The Report mentions an induction process. In 2013, we had an excellent induction process, but we walk over paper –

865 **The President:** Mr Jean, will you please address your fellow States' Members and not –

Mr Jean: Yes, indeed. I am very sorry, sir.

870 We walk over a trail of paper and we just seem to forget what we have done. Two years ago, no induction process. So, let's, in January, bring it back in: open the filing cabinets, find the induction papers – they are all there – heave them all out, dust them all off, revise them, and get them out to the Members including packs of Rules and Procedures, the various things – we have got all that. That was done and reasonably well done.

875 Transparency and open meetings: yes, absolutely. I would like better minutes. I have always said I would like more detail. Our minutes are so sterile, almost, of any indication of what actually goes on regarding any item. The public really can glean very little other than the vote and the decision. Something could be done to make those minutes show and reflect the true nature of debate. There we are, better on detail.

I agree declaration of gifts and hospitality.

880 There is so much of this Report, for that kind of money, that is a reinvention of the wheel and I could not agree with Mr Harvey more that we could do so much of this ourselves and boil it down and then look at anything that is left that needs to be done. To pay £71,000 when we have got other problems we could push that money towards and solve with it, that is the answer. Perhaps, when this Island is beginning to regain momentum, business-wise, in the community, maybe then would be the right time to look to spend a little money on ourselves. But this is not the right time.

885 Thank you.

The President: Thank you, Mr Jean.

890 Does any other Member ...? Mr Tugby.

Mr Tugby: Sir, I found this Report quite insulting in certain respects. We take the flack throughout the years. I was on the States back when we had 12 Members. I am getting a bit long in the tooth now for being a States' Member. Over the years, back then, I was on about six different Committees. We had a separate Committee for the Water Board; a separate Committee for the Works Department. There were so many separate Committees and we had to spend an awful lot of time doing it. It was streamlined along the way.

900 Anybody who says we are doing a reasonable job, when you consider that we do not have control over our money ... To a certain extent it is forced on us by Guernsey, yet Guernsey have got major financial problems, Jersey has got major financial problems and we are being asked to, more or less, be similar to what they are. Over the years we have more or less kept within our Budget. This year we have still kept in by just moving things around. Why on earth spend another £72,000 on another Report when we are more than capable of sorting anything out?

905 At the present time, we have got a couple of different consultants looking at different options for us and, if we have a problem or something particular we need to look at, you bring in somebody for that particular problem, not one who comes in and is fully employed by us, because he is not going to be an expert on everything – like States' Members are not experts on everything. You just bring in an expert for that particular problem that you have, not go spending vast sums of money on having permanent people. All right, some people might

disagree with me, but at the end of the day, I would say we have done quite a good job over the
910 past few years.

You always get problems just before an election. We hear from the public, 'The States is
rubbish. This, that and the other.' Well, they have got an opportunity to come. It is easy to
criticise. I have been criticised vastly in the past. It is just a way of Alderney life, I am afraid, that
you criticise States' Members. They always think they can do better but they are not willing to
915 put their name forward themselves. You just have to have good broad shoulders and accept it.

I cannot see any point in spending another £72,000. We have had a few tips already after
spending £27,000 on what needs to be done. We can just trim it around a bit and sort out the
rough parts that are in the States and save ourselves £72,000. Then, maybe we can use that
£72,000 in something more constructive to earn some extra money, which we will be
920 desperately needing in future.

Thank you.

The President: Thank you, Mr Tugby.

Mr Simonet.

925 **Mr Simonet:** Your Excellency, Mr President, the majority of States' Members and Civil
Servants who have served Alderney over the years in either capacity have acknowledged
consistently that our present structure of Government does not promote either efficient
administration or good Government. This Report, to my mind, builds on the Stephen Taylor Staff
930 Analysis completed in 2012 and we have over the past four years implemented some of
Stephen's recommendations.

We have for the first time in our history appointed a Chief Executive Officer with a local
authority background, who, after overcoming the shock of engaging with our political system,
(*Laughter*) set about reforming the administration within the limits of our financial resources.
935 Staff changes have taken place that have improved the delivery of the services that the States
provide without any additional cost. By contracting out some of our Civil Service requirements,
we have benefitted from being able to secure high-quality advice and guidance at a price we can
afford. I am sure all of you who have engaged with ARUP, Stephen Taylor, Lee Dawson, will give
testament to the outstanding service they have provided. I am confident that this restructure
940 will continue.

The Governance Report – written in a language that leaves no doubt about the message it is
imparting – tells us that our political system must change if it is going to meet and overcome the
serious financial challenges that will face us during the next five years and beyond. Make no
mistake, those challenges are huge: the repatriation of some of our taxes from Guernsey,
945 securing our transport services and establishing stable income streams that will be necessary to
replace the ever-dwindling financial support that we receive from Guernsey. These are just three
of the major issues that will test our resolve and the ability to secure satisfactory outcomes.

If we are going to embrace this Governance Report, then we must be fully committed to it. In
my view, we should follow the example set by the Building and Development Control Committee
950 when they were faced with what appeared to be a very contentious proposal to make significant
changes to our Building Law that included the exclusion of section 33 relating to sea permits.
They had an independent company with an international reputation for advising on and framing
building law and planning policies to guide them through the process. The ARUP team involved
all the Island's stakeholders and the general public in a fair, completely inclusive and transparent
955 process that enabled a Building Law to emerge that had the support of the overwhelming
majority of Island residents. It was successful largely because the electorate had confidence in a
process that was non-political, professionally managed and independent. In my view, there are
lessons to be learned from the success of this process. It provides a template for progressing this
Governance Report and other major issues that the Island will have to resolve in the next few
960 years.

There will be cost to the process of reform but this money will be well spent if it enables us to bring about beneficial change that has the support and the good will of the majority of Island residents.

Thank you, Mr President.

965

The President: Thank you, Mr Simonet.

Mr Birmingham, do you wish to speak?

Mr Birmingham: Yes, please, sir.

970

Thank you, Your Excellency, Mr President, fellow States' Members.

Do we need a review of governance of Alderney? Well, after six years as a States' Member, for me, the answer is a clear yes. However, the issues of governance cover a wide spectrum of issues as we have heard already.

975

Some improvements are quite straightforward and can be undertaken relatively easily, while others do require more extensive review, but the basics are simple: you ensure you have got a clear committee structure, each committee with clear mandates, with clear lines of communication, with adequate Civil Service support, to provide implementation. Unfortunately, Mr Rowley, in my view, that starts with scrapping the 10-man P&F Committee and replacing it back with a five-man committee.

980

There is a phrase that 'a camel is a horse designed by committee' and I believe that a five-man committee would probably create a camel still, but it is more likely to be a Dromedary rather than a Bactrian and this is what you get from a 10-man committee: a camel with an extra hump.

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You just need to see the sheer logistics of trying to co-ordinate the timetables of 10 part-time States' Members and half a dozen civil servants. It leads to a tortuous decision-making process and discussions about the minutes of a meeting are akin to a family argument about who said what about Aunt Sheila at our cousin's wedding.

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Importantly, not actually sitting on a committee does not prevent a States' Member from maintaining oversight or holding committees to task. Scrutiny should be done through *this* Chamber, by asking questions of committee chairmen as the Government of Alderney Law allows – at States' meetings.

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Fundamentally, there is no handbook on how to be a States' Member and some of the procedural methodology is complex and not easy to understand. In fact, I would say it takes a new States' Member about a year to come to grips with the role; some even longer; some not at all possibly. (*Laughter*) But assuming it is a year, that means in reality you get about six months of governing done before another election cycle comes around and a new States is elected, who then need another year to get to grips with being a States' Member. Add in a level of churn in the States' Members themselves and in reality this means the Island actually gets governed about one year in four.

1000

That could be simply solved by moving to a four-year election cycle. (**A Member:** Hear, hear.) At least this will allow for a programme of Government that the majority of States' Members can agree to and for there to be a chance that the majority of the programme will be implemented. Governing three years out of four is better than one in four.

1005

Open meetings would help but it is complicated by the lack of civil service support and inadequate logistics, though I will say yesterday at the BDCC meeting we did agree a protocol for open planning meetings. I hope that, when the new BDCC is formed in the new States, that will be taken on board and, if we can just deal with the logistical elements of that, that we will be heading towards open planning meetings, which I think would be at least a step in the right direction.

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The problem is, of course, if you employ enough civil servants to solve this problem, what happens? The public criticises the States for having too many Civil Servants and wasting money. I

am a firm believer that you get what you pay for. Unfortunately, there are too many people on Alderney who want Mouton Rothschild for the price of Mouton Cadet! *(Laughter)*

1015 To enable States' Members and Committees to deliver services and policy, you need a properly staffed and trained Civil Service with clear mandates, defined roles and lines of communication, and that means proper resourcing. It is not rocket science. This is just good management.

1020 Obviously, governance for Alderney has other levels. One is our relationship with Guernsey and the fundamental changes that the renegotiation of our financial relationship will have, plus the renegotiation of service-level agreements around the provision of health, education and policing, along with other issues, which means that we must have a review of the 1948 Agreement. Alongside that, how our relationship with the UK and Europe will change post-Brexit must be reviewed.

1025 I have heard suggested that maybe an external review of the Island by the Privy Council might be the way forward – maybe that needs consideration – but probably the best way forward for the States is certainly the formation of some form of constitutional committee in the new States to consider the way forward.

1030 For me, Government reform starts now. A new States is elected next month – I myself am not up for re-election but personally I will not be supporting a 10-man Policy and Finance Committee in the new States. I will vote against it and I encourage the States' Members who are up for re-election or who are re-elected or even new States' Members to really consider the fallacy of this 10-man Committee.

1035 **Mr Rowley:** Could I just make a clarification –

The President: Is it a point of order? Clarification – please go ahead.

1040 **Mr Rowley:** It was just that I did not actually ... At least I do not think I said I supported a 10-man Policy and Finance Committee. I supported 10 States' Members. (**Mr Birmingham:** Okay.) That is what I meant.

The President: Thank you, Mr Rowley.

Mr Roberts, do you wish to speak on this matter?

1045 **Mr Roberts:** Yes, I just want to make one small comment about what Mr Birmingham said. Mr Birmingham, sometimes an extra hump can be useful. *(Laughter)*

The President: Thank you very much, Mr Roberts.

Mr McDowall, do you wish to sum up?

1050 **Mr McDowall:** Yes. This will be very brief because, as I said, this was an opportunity, Mr President, for the public to hear the views of existing States' Members. They have heard them and I think there is no need for me to say anything else.

1055 **The President:** Thank you very much, Mr McDowall.

**III. Aurigny Air Services –
Vote of no confidence in its management and its articles –
Item approved**

Item III.

The States of Alderney is asked to vote for a motion of no confidence in:

(1) the senior management of Aurigny; and

(2) the articles governing the relationship between Aurigny and its current shareholder, the States of Guernsey.

The President: Mr Greffier, could you move on to Item III, please.

The Greffier: Thank you, sir.

1060 Item III this evening is a Requête. Pursuant to section 45(4) of the Government of Alderney Law, four Members of the States of Alderney have signed a Requête entitled, 'In concern of Alderney's failing air service and economy.'

As a result, the States of Alderney have been asked to vote for a motion of no confidence, firstly in the senior management of Aurigny and, secondly, the Articles governing the
1065 relationship between Aurigny and its current shareholder, the States of Guernsey.

The President: Mr McKinley, as Convener, would you care to give the Convener's Report.

Mr McKinley: Yes, please, sir.

1070 We may have to open the windows, actually. Things may get a bit hot for the next hour or so.

The comments on this Item included: 'The Alderney Pressure Group fully supports the Requête. We find ourselves trying to get off the Island with just two Dorniers in situ. This cannot be delayed any longer; it is a matter of urgency. The money spent on Dorniers is £16 million to £18 million and we are left with two in service. This should not be an attack on Andrew Haining as he is the Chairman. Running routes with two aircraft is resulting in a loss of £4 million per year.' I am not quite sure what that £4 million is. It is either £4.6 million for the whole of Aurigny or it is £1.4 million for Alderney.

1075 'There is major concern for the future of the Southampton route which has been the concern of the Pressure Group for the last two years. Timing is critical – the States of Guernsey are reviewing their budgets.'

1080 The Convener asked. 'If the Pressure Group had received a reply to the Britten-Norman letter – update to be sent to the States' Members for information.' I do not think they have received that reply.

1085 He stated that, 'The ALG meeting confirmed the possible threat to the Southampton link.' The Convener clarified that the States of Guernsey Strategic Review of Aurigny is due to report in January or February 2017 on the structure of Aurigny and other Aurigny-related matters. James Dent is representing Alderney as a member of the review body.

1090 The 2016 reported loss of £4.6 million, with £1.4 million attributed to Alderney routes – which cannot be proven – is to be discussed at the November Guernsey States' Meeting on 1st November.

It was noted that there is no criticism of the Aurigny ground staff, pilots, etc. just senior management.

Another comment was, 'It is not the time for another Requête. They know their issues, but we cannot put pressure on them to sort out the issues.'

1095 Another comment was, 'This is straight criticism – not the way forward. Aurigny need direction, a list of possible solutions. It is our lifeline to tourism and the Island's existence.'

The Chief Executive stated that the MoU is in place. As a matter of interest, discussions on updating that MoU took place on Monday. That a schedule of services for Guernsey and

1100 Southampton routes are being established and this is our only mechanism in place at the moment. The States of Alderney are putting pressure on the production of the schedule. The States of Alderney are also not letting the States of Guernsey off the hook.

1105 The final question was, 'Has the States of Alderney considered buying shares in Aurigny, as currently we cannot exercise any leverage on them?' The Convener stated that he had requested a Member to be on the Aurigny Board, a breakdown of their losses, and a better MoU. We do want the Jersey route back and need a longer runway for larger aircraft.

The President: Thank you very much, Mr McKinley.
Mr Roberts, would you care to propose your Requête.

1110 **Mr Roberts:** Your Excellency, Mr President, States' Members, I would like to propose this.
Thank you.

The President: Thank you very much.
Mr Simonet, you wish to second this.

1115 **Mr Simonet:** I do, indeed, sir, yes.

The President: Thank you very much.
Do any Members wish to speak to Item III? (*Interjection by Mr Roberts*)
1120 You have had your chance to speak when you introduced it. You can have your right to reply at the end.

Mr Roberts: Oh, right! I did not realise that I could not. I just thought I had to introduce it. I have quite a long speech that I would like to make, sir. That was a mistake on my part.

1125 **The President:** Okay, on this occasion I will allow you to make your speech before anybody else speaks.

Mr Roberts: Thank you. It is really relevant to what I am trying to say.
1130 May I first begin with reminding you of my first Requête, my deep concern for Alderney and the accessibility it has to the rest of the world – for it shapes our very destiny and the future of all our children.

1135 Last time I spoke of the late Sir Derek Bailey. I told you of an amazing afternoon with the man who created Aurigny, a man who cared deeply for Alderney, a man who should always be remembered in our minds as somebody that brought us great prosperity – but I am not going to repeat that again. However, last time I did not tell you the whole story. Aurigny wanted to give him an honour of a framed photograph. As he had declined to attend a certain function, my friend and I were dispatched by the company to try to persuade the great man to attend.

1140 He sat quiet for few minutes and he smiled at us. 'Look', he said, 'I have the utmost respect for you but with the way Aurigny is going, the future for Alderney is going to be difficult. I will accept this framed photograph of myself but only from you two ground staff – you boys, who I greatly respect. But it has gone to Guernsey. I cannot and will not attend the reception. The staff are the only asset to the company and that will never change.'

1145 Food for thought, for this great man – then very elderly – was so right and wise. Boats for Alderney are not the answer, they are supplementary.

With my second Requête I am taking a different approach and this I will try and explain to all. Nevertheless, this is an endeavour to unite our States with the people of Alderney and send a resounding message that we have had enough and are singing the same tune with the public.

1150 People pay huge fares, the highest in the world, arrived at by Aurigny. I am sure I saw the ghost of Dick Turpin in their head office. Our flights are 90% full. We pay the highest prices in the Islands, yet they say we lose money. How can that be?

1155 Now for the MoU – not my favourite plan of action. I never had any faith in it from the start, although it has served its purpose. Aurigny will say that they are delivering the level of service agreed in the MoU and we must agree with that fact, but listen to me, they are treating the MoU as if it was specifying the maximum level of service that they should provide, not the bare minimum, which is what they do.

1160 We had long periods early this year when every single flight to our Island was booked to the full – one period lasting eight days where you could not buy a seat out of Alderney. How is that right? Empty and quiet sectors have to be operated on the Island route as they do in Guernsey to provide availability on the return. This is not the case now and it is starving us. It was never the intention of the MoU to set limits on the number of flights. Firstly, Aurigny must no longer have the required number of aircraft to serve Alderney. They admit they are troubled with operational constraint – they have not got enough aircraft. Secondly, because of inefficient operations and poor planning decisions, the operating costs are far too high and excessive. It is losing millions. Who do you blame for those decision – me or the management? If the people cannot get to the Island, how can the Island survive an economic future?

1165 The States of Alderney welcomes the Strategic Review of Alderney that has just commenced, but we must make one thing very clear with this new review: we need to have a clear distinction between the needs of Guernsey and ourselves in Alderney. We need action and not words.

1170 Let me explain the Articles governing the relationship between Aurigny and the States of Guernsey. (1) To achieve a break-even position for the Aurigny group, excluding exceptional costs and losses incurred in operating lifeline services to and from Alderney, as agreed with the shareholder. (2) As it is written, to offer 63% of all fares on London Gatwick at £67.22 average. So that is why our fares are so high – it is written in black and white. The language used with regard to ‘lifeline services’ could mean almost anything. It needs to be made clearer. The contradictions implied by the requirement to break even and at the same time offer controlled fares needs to be sorted.

1175 If there are controlled fares from Guernsey to Gatwick, where are they for Alderney links to Southampton and Guernsey? Is this why our prices are so consistently rising to unaffordable, unbelievable prices? Who pays the highest tariff? We do, and it has kept us in recession. There is no culture or appetite for inclusion of Alderney.

1180 Do you have confidence in any of that, any single one of you? Truthfully! The States of Alderney believes the changes should include: to more clearly define the nature of our lifeline services; to reconcile the separate requirements of Alderney; break even and provide lifeline services for the cheap controlled fares to Alderney and Southampton as well as Gatwick; take in extra flights when the need arises and absorb empty legs as happens now on other services – the London Gatwick and other regional sectors. Dinard loses money yet they will not provide a Jersey. A Trislander recently flew to Dinard empty to collect *one* passenger and they will not provide us with a Jersey!

1190 We have one good Dornier and a promise for another and two second-hand Dorniers purchased off a mate of Mick Barnes – meany Mick himself. One was somehow bought with a two-year gap in maintenance records. They might find that has to be scrapped in Germany because of excessive corrosion – throwing away money from an unbelievably managed decision.

1195 The other purchase can carry less than my truck – 12 passengers on a Dornier – with all the baggage following on a Trislander. What is that costing Alderney, fellow States’ Members? £400 to taxi offloaded baggage to Wales, back to the passenger’s home, is just one case. The CEO travelled on the same flight that passengers had their baggage left behind! That is unheard of.

There is no contingency plan whatsoever for 2017; although that is funny, because today they tried to conjure up one like a rabbit out of a hat at the eleventh hour – today!

1200 Two Dorniers in maintenance, so how much is that costing? I estimate about £100,000 a month. If it is less, can the management give me the real figure, or if it is more ... It could be more. I am not far out. What waste! All this deficit put down to Alderney and on our fares! The Aurigny propaganda machine is going to beat on overtime. They will claim we will have another operator and they can hand it over to them – that old chestnut! The airline belongs to the taxpayers, Mr Management, and that includes Alderney.

Your only asset is your staff and I bring this Requête to help them as well, in both Islands, for they too have suffered with bits and pieces they have had to pick up: excusing and handing out bad news on a daily basis.

1210 Three Trislanders are being scrapped; the next one in May. That leaves us with one Dornier, one new Dornier promised, and the other two: temperamental, money-losing aircraft, if they are not down to the recycling plant before then because I think they will be. It sounds, today, like one of them has gone or it is going.

1215 Sell the two old Dorniers, put that money towards the SP90 checks on the next three Trislanders to keep the service going for the next few years until new aircraft fill the gap. That is your only answer, because without those Trislanders we have got nothing. It is mostly a Trislander operation as we speak anyway. The last three days, we have had only three Trislanders and the next Dornier comes back online on Friday. We have not seen a Dornier for a week.

1220 Perhaps now we can count on two and realistically you need at least four to provide a reliable service. I worked there for 20 years – longer than the current CEO, nothing personal to him. I do not suppose he has got my picture on his wall, but I will not lose any sleep.

I met the new Chairman and I liked him too, but little impact; he has done nothing.

I remember our Director, John Cadoret, running out of his office to help load aircraft when the fog had cleared. You would not see this lot dirty their hands.

1225 Last time, all the States' Members in this States supported my Requête, but some said it was the wrong time to see yellow cards. The time for cards is done. It is time for a red sending off.

1230 At least the new Strategic Review Panel has got one representative on it, Mr James Dent. If we pass this Requête tonight, we are giving him our mandate to emphasise and fight for Alderney as a separate case. We need this to make sure that Alderney's demand for a proper and affordable air service is taken seriously and acted upon. If it fails, it displays weakness in Alderney. It will be seen as weakness in Guernsey. It will display a weakness to Aurigny who will then continue to cut our service and hike our prices.

1235 Recent news tells us that the Guernsey public, with petitions and such, are fed up with the management of Aurigny also. A poorly advertised petition in Alderney was started by a local. One thousand and thirty four signed the petition. That is surely a good reason for us all to stand together and speak as one and we know there are many more in support that would have signed. A similar petition in Guernsey to maintain the same figure *pro rata* would have brought in 40,000 votes. So that is 1,034 reasons backing this Requête. So represent what Alderney demands, represent what Alderney is saying and represent a new and fighting future, a strong States. As I say to you tonight – and you all know the reason we are still in recession – we, the States of Alderney, have to stand up this time and vote for Alderney's people and our future. Our service is a shambles. It is badly managed. It is losing millions and no one cares about us.

1245 Vote so that sick people can meet their appointments on time. Vote for affordable fares for the everyday man. Vote for the holiday home owners. Vote for the locals and vote for a basic human right of travel. For it was Alderney's taxpayer – part of the tax pot – that bought this very airline, you know. They owe those taxpayers. They owe us an equal service. We put all the money into that tax block that they purchased that on.

1250 I was out walking at Blue Stone Hill just last Sunday, and it was an old friend who I had checked in for many flights at the Aurigny desk, who has lived here locally for many years. He had a business on the mainland and he has lived here for 20 years or more and he lives out that way. After I asked him how he was he said, 'We have not sold our house yet, Steve, but when we

do we are leaving Alderney.' 'Why?' I said. His answer was two words, 'Aurigny, Steve.' States' Members, Your Excellency, members of the public, that said it all.

Please support.

1255 Thank you, Mr President.

The President: Thank you very much, Mr Roberts.

This has already been seconded so does any Member wish to speak on this subject?

1260 **Mr Tugby:** Yes, sir.

The President: Yes, go ahead.

Mr Tugby, please.

1265 **Mr Tugby:** Sir, I signed the Requête because of the bad management. There are no ifs or buts about it, there is bad management in Aurigny.

At the moment we have got one Dornier which has to go in for a check every 50 hours. The other Dornier has been out of action waiting for a spare part for God knows how long and the other Dornier that they spent £3 million on buying is scrapped. Now, if that is good
1270 management, well God help us!

Back to the present time, the only thing that is keeping Alderney going is Trislanders. Mr Darby, the last time we had a meeting a couple of weeks ago, said 'I believe that we could get the three Trislanders fully, totally refurbished for £380,000 each.' That is just over £1 million. Wouldn't that have been better to have got that done instead of spending £3 million on a
1275 scrapheap? Because that is all it is; even if they did do it up it can only carry nine passengers without the baggage as there are weight restrictions on it. I am sorry, but no matter what they say, it is bad management.

In the paper today, one of their executives was criticising Alderney in the *Guernsey Press*. They are upset with the Requête because, 'We are aiming it at the wrong people. It should be the States of Alderney and the States of Guernsey where the problem is.' But surely if they are the management, they advised the States of Guernsey to buy these scrapheaps basically. So it is not the States of Guernsey's fault. It is the management, I am afraid, because they have advised the States of Guernsey. If they did not advise the States of Guernsey, what are they being
1280 employed for?

1285 It just goes on. The service to Alderney is absolutely appalling and I believe the next Trislander goes out of action in February and they have all gone out of action before the second Dornier comes. So when the new Dornier that they are using at the moment – or part-time using – is going into for a service after every 50 hours, what have we got? Nothing!

The previous Chief Executive at Aurigny – back a number of years, now, before Mr Darby came on the scene – had a meeting with us in the States and said, 'If they did up the Trislanders, they could go on for a number of years.' The following year, Mr Darby comes on the scene and the Trislanders had to go, because they were finished. It was purely, I think, because he had fallen out with Britten-Norman. Instead of trying to build bridges, he went down a different route and spend vast sums of money of Guernsey's buying planes that I am afraid are not fit for
1295 purpose. Even the new one, it went tech, I believe, on Saturday and it is not coming back, according to Mr Roberts until Friday – so that is a week. If we have got no Trislanders, what have we got? Nothing!

The prices of fares are astronomical and even the old age pensions' fare is dearer than what you can get online by using your credit card or your debit card. It just goes on and on.

1300 When I said to Mr Darby the other week, 'What would happen ...?' because he said the MoU was what they were working to. I said, 'If you have only got two Dorniers ...' – and he claimed they would have a third backup, which I do not believe – '... and they went tech, there would be nothing.' We would have nothing at all.

1305 We can talk about wanting to increase the population of Alderney, getting more businesses to come here. What chance have we got with an airline like that? I am sorry, not a hope! Because people come over, they try to get here to look at houses for sale and the first thing they find ... This comes from an estate agent on the radio the other day. They ask, 'But the air service is letting us down.' That is another reason why we have got to look at this.

1310 Now, where do we go? If we give a red card, will Guernsey do anything? I doubt it because they have got problems themselves down there, so what do we do?

Mr Darby says, 'Just over £1 million could totally refurbish three Trislanders for a few years.' Maybe that is the way we should go: get them reserviced, totally refurbished, so that they go. These are not my words, these are Mr Darby's words saying that they would go on for a number of years. That would then give us the security of an airline until something else is sorted out.

1315 We can talk about having an extension to the runway – an extra 300 metres to create a runway to take larger planes. To get that through is going to take at least another five or six weeks and in the meantime we go backwards. We need action now. As a final backup plan, if Guernsey is not running to do it, maybe we should do it ourselves, because I am sorry, we have got to do something drastic, otherwise we are an Island which will end up gradually dying. That is one thing that is holding us back. Guernsey would willingly, I suppose, give us Trislanders. What I would personally do is speak to previous management and the pilots and get their advice –

1325 **The President:** Mr Tugby, I am sorry to interrupt. Are you supporting this motion or not? Your solutions for the airline are very interesting but we need to know whether your support the Requête or not.

Mr Tugby: I definitely support it – no ifs or buts.

I would speak to the pilots and everybody else who has been associated with it in the past.

1330 What I cannot figure out is Aurigny made a profit until Guernsey took over. What went wrong when Guernsey took over? That is what we have got to be asking. They were apparently getting 60,000 passengers or more a year back then and it has just gone totally pear-shaped. The previous Chief Executive: I was told by the person who worked for them – not Mr Cadoret or anybody like that, but another one of the management at the time – that they looked at all different options of aircraft for Alderney when they stopped producing Trislanders. What happened was Mr Cadoret told the other management, 'We will go and buy all the spares that are available', because they were going at a knockdown price. I presume because the firm wanted to sell them off. They bought them for £½ million and they were all stuck in the hanger in Guernsey. Because the previous executive had a bad year with his accounting and he wanted to get some extra money, he saw all these spares in the back of the hanger and the spares had got, for those that needed them, quite demanding. He sold them at a profit. He sold them for £2 million, which made his bottom line look much better. That has come from previous management. Then what happened? I believe they spent up to £4 million trying to get parts back, purely because the management back then wanted a quick turnover. I see Mr Roberts nodding. I presume he knows a bit about that after working there all those years.

1345 That is why I supported this Requête, sir, because we have got to do something and if it involves us getting the planes repaired to secure our lifelines, we get somebody ... I do not know how to run an airline and I am sure none of us do, but I am sure there is a man out there that does and that is what we would have to do for this particular thing: get somebody in and look at all the figures and see what they could do. And not have a full-time; you would employ somebody on a basic salary and you pay them on results. If they do not deliver, they do not get any bonus. That is the biggest incentive for them to actually produce something positive. I am afraid that is the only way. If Guernsey do not support what Mr Roberts has been proposing here tonight – because they do not – we are going to have to be brave and bite.

1355 **The President:** Thank you, Mr Tugby.
Mr Birmingham.

Mr Birmingham: Thank you.

1360 Your Excellency, Mr President, follow Members, earlier this year when Mr Roberts originally brought forward his first Requête, whilst I sympathised with the concerns that he raised, my problem was that I felt it was aimed at the wrong target in that it placed the blame for the airline's problems solely on the Aurigny management and I did not share that view.

1365 I believe the situation has been created over time by the lack of a strategic policy towards air links by the States of Guernsey and then unrealistic expectations placed on Alderney by the States of Guernsey which has led to uncoordinated long-term planning.

1370 The Trislander replacement programme was the direct outcome of this. Decisions made on replacing aircraft were made four or five years too late. That led to rushed decision-making in regard to what aircraft type should be considered and a lack of transparency and public consultation around the requirements of those aircraft, and most importantly for Alderney a shambolic changeover from one aircraft type to another involving a requirement for totally unsuitable interim aircraft that have created problem after problem.

1375 Some of these issues are not in the hands of the Aurigny senior management. They lie firmly at the door of the States of Guernsey, and I am delighted that this new Requête identifies that. I support wholeheartedly the endorsement of the Strategic Review of Aurigny: analysis that, if it had been undertaken five years ago, would have meant that we would not be in the situation we are today. Of course hindsight is a wonderful thing, except for some of us it is not hindsight.

1380 States of Alderney identified the need for a Bailiwick Transport Strategy five years ago in work undertaken by Island Analysis. That continued in the Future Economic Planning for the Island of Alderney work authored by myself, and was further supported by the work of Dr Andy Sloan that identified that reopening the Alderney/Jersey route would generate £5 million in extra GDP for the Bailiwick and over £1 million in extra revenue in taxes. This over a period of time when the States of Guernsey, instead of trying to develop routes, were considering selling Aurigny and giving away a significant tool for economic enablement, just at the time when the Bailiwick, particularly Alderney, needed it most. No consideration of potential economic damage, no consideration of the significant social impact and no consideration for the risk that would arise in undermining Alderney's Medivac services. It is vital that Alderney takes an active role in the formation of that future strategy and I support completely the proposed changes in language.

1390 That leads me with one last issue: do I have confidence in the senior management of Aurigny? As I have said previously, my issues have been with the organ grinder and not the monkey. However, at board level, Aurigny have known about the issues of the Trislander replacement for at least 20 years. I worked for Aurigny, left in 1997, and Trislander replacement was being discussed then. That shows that there have been successive failures at board level to communicate potential operational problems to Guernsey States or to formulate any proper identification of long-term risk to the business. That seems to be a systematic failure of management over time. However, that systematic failure has been compounded recently by what seems to be a complete lack of respect that individuals and senior management seem to have for Alderney, Alderney customers and Alderney itself.

1400 Also, it was not the States of Guernsey that failed to undertake proper due diligence in identifying interim aircraft in the botched Trislander replacement programme. And when Alderney raises the significant concerns about the damage that this is creating within the Alderney economy, it is met with distain and the old Guernsey refrain of, 'Oh well, you are costing us money, you know!'

1405 It was Aurigny that identified Dorniers as the right aircraft for the future with the elements of this Island and no doubt the new generation Dornier is an excellent aircraft and it will serve the Island well. However, the Aurigny senior management told us unequivocally that despite the

1410 Dornier running on jet fuel, there was to be no requirement for jet fuel at Alderney Airport. Within weeks of buying an old generation Dornier, what happens? Aurigny senior management are complaining that they cannot operate the aircraft that they have purchased properly due to load factors because there is no jet fuel at Alderney airport. Aurigny senior management proceeded to place the blame for that on Alderney Electricity for not supplying Jet A-1 despite the fact that they previously stated there was no requirement for jet fuel at Alderney Airport.

1415 After being blamed for causing the problem, AEL were then asked to try and solve it. Now, this is not a simple matter of a bloke turning up at the airport with a jerry can, a funnel and a hose. There are stringent safety tests required, storage fuel protocols to be dealt with, specialist fuelling equipment has to be bought and paid for – all the while, operational protocols have been stringently enforced by Guernsey Airport who incidentally consistently failed to assist in any funding or operation control of that fuelling. It is important to note that the protocols are particularly stringent once you are offering two types of fuel instead of one.

1420 During this time, Aurigny get a new Dornier, except this one has underwing fuelling, not overwing fuelling which means that you need a different type of fuelling system as one is gravity-fed and the other is pumped. Apparently, this was also AEL's fault for not being clairvoyant, as none of the senior management of Aurigny deemed it necessary to mention it to AEL – probably, again, due to a total lack of due diligence on their part of the aircraft that they were purchasing.

1425 Thousands of pounds of States of Alderney money and hundreds of man-hours to try and fix a problem of Aurigny management's making. A thank you, maybe? No, instead we have Aurigny blaming AEL's failure to supply jet fuel as the reason for connectivity problems.

1430 Dealing with Aurigny's senior management gives me flashbacks to conversations with ex-girlfriends. *(Laughter)* 'Yes, dear, you are quite right. I should have filled the car with petrol.' 'Yes, it is completely my fault you ran out 100 miles into your journey.' And, 'Yes we will discuss my attitude on how I can be a better boyfriend.'

1435 I have a simple view: if you make a mistake, you put your hand up and say, 'My bag' and try to fix the problems. Aurigny senior management's approach is to point the finger at everybody else and try to push the blame elsewhere. It is like listening to a Donald Trump election rally. In fact, the only excuse I have not heard from Aurigny senior management is, 'It is not our fault. Big boys made me do it.'

1440 So where does the States of Guernsey's ineptitude end and the Aurigny senior management's begin? Well, with Guernsey's senior politician sitting on the Aurigny board, actually you cannot separate the two, and I have to ask where is the independent, non-executive oversight at board level? This is a systematic failure of senior management. The people I feel sorry for most are the hard working staff of Aurigny – lions led by donkeys, quite literally in this case.

Mr Roberts, your Requête has my full support.

1445 **The President:** Thank you, Mr Birmingham.

Mrs Paris.

Mrs Paris: Thank you, Mr President, Your Excellency, States' Members, I will go through this quickly, partly because Mr Birmingham has said most of it and, secondly, I have something to add to it which I suspect the President may try and stop me from saying.

1450 When Mr Roberts brought the similar Requête in February I did vote against it for pretty much the same reasons as Mr Birmingham has put out. We had just signed a Memorandum of Understanding with Aurigny and, whilst fully aware of its many shortcomings, it was the first basis we had to try to negotiate any sort of levels of service and I felt at the time it should be given a chance.

1455 The criticisms and the remarks levelled at Alderney, that 2,000 people are fortunate to have the air services they currently receive, miss the point – and this has been in the *Guernsey Press* quite recently. This is not just about us getting on and off-Island in a timely, reliable, safe and affordable manner; we are very isolated geographically and having a good transport structure,

1460 as we all know, is the enabler to support a vibrant visitor economy and we need that to prosper and attract more people to come and live here.

This is the bit where you will probably stop me. Mr Tugby has said, 'We have not got anybody who has any experience of running an airline here.' I am not sure I really want to volunteer but that is not true. My husband and I ran a very successful, profitable airline for 20-odd years with the same number of aircraft ironically as Aurigny have. I will leave it right there. I have put a proposal out about using Islanders. It has not been particularly well received. (**The President:** Thank you.)

1470 Aurigny is asked to be aware of the wider social and economic factors of providing the lifeline services that we need here and, in return, in all fairness, they are sheltered by Government protection from many of the cold winds of commercial reality, which my husband and I never had – sorry.

1475 However, in my opinion, the debacle of the late recognition that the Trislander fleet needed to be taken out of service and the seemingly panic-stricken purchase of two second-hand Dorniers which neither, as we all know, are fit for purpose, I think should have resulted in changes in the top management in the company – any company, whether commercially driven or otherwise.

I am not sure that many of us have the confidence that Aurigny are actually going to have the necessary physical resources of aircraft and pilots to offer us an even adequate service in 2017, and that is despite the progress that we are making with the MoU because at the end of the day if the aircraft are not there, the rest of it is not worth the paper it is written on.

1480 A Strategic Review of Aurigny has been commissioned recently. Regretfully – and I am regretful about this – but nevertheless, I now think it is time to mark the Government of Alderney's dissatisfaction with the way in which our air services have been handled in recent years. I am going to support both parts of the Requête.

1485 **The President:** Thank you, Mr Paris.
Mr Rowley.

Mr Rowley: Yes, thank you, Your Excellency, Mr President.

1490 Mr Birmingham and Mrs Paris have said pretty much everything I was going to say but I would just like to endorse particularly what Matt Birmingham said. I voted against it because I felt it was at the wrong time when the Requête first appeared, but there is no improvement on the cards so I will support it. Also, I am a believer in Mrs Paris' scheme –

1495 **The President:** Thank you.
Mr Harvey.

Mr Harvey: Thank you, sir.

1500 Your Excellency, Mr President, ladies and gentlemen, I think it was I who suggested eight months ago that we show Aurigny a yellow card to give them a chance to improve things as we had the Memorandum of Understanding for the first time ever to at least measure their performance. Well, sadly, not much has changed since then, at least not for the better.

1505 My main concern with that Requête, which is not entirely assuaged with this one, is what it will achieve. A motion of no confidence generally would be considered to have achieved something if those to whom it is aimed had resigned, been sacked or otherwise terminated – and therein lies an ongoing problem.

1510 I totally respect Mrs Paris and her husband with their small airline, but I think it is very difficult to find anywhere where a small airline provides a good, low-price service without massive subsidies. Even with the Scottish Highlands and the Scillies – the Scillies incidentally have higher prices per mile than Alderney – there are countless complaints about service levels and prices and they are heavily subsidised.

1515 I am not going to show a lot of sympathy for Aurigny but I think we need to just reflect for one minute. EasyJet, for example, have a turnover of £4.6 billion and a fleet of 234 aircraft. Aurigny's turnover is a bit of a mystery to us – probably to them too – and they have a fleet of 12 aircraft. But they both have to meet the same regulatory and bureaucratic requirements and that costs money. Running a small airline is a game for very wealthy individuals or extreme optimists.

1520 Our service levels have dropped and yet despite this Aurigny have contrived to lose a massive £4.6 million, £3.1 million worse than forecast. I do not think even their PR machine could blame that entirely on Alderney. The problems at Aurigny are much bigger than just servicing Alderney. I am pleased that the Strategic Review is underway. I am not quite sure what happened to the Scrutiny Committee Report that we all gave evidence to but I assume it has been subsumed into the Strategic Review. Let's hope that one finally gets to report and produce some results. Also, the Training Supervisory Board, too, I believe, are getting their teeth into these issues. Ultimately, the whole of the States of Guernsey are going to be on the back of Aurigny, I feel.

1525 Not without some misgivings, I will support this Requête. I will support it for two reasons, really. Sometimes I think it is good for the States of exhibit some collective responsibility. It does not happen too often but this is a matter of such importance that whatever one's personal views, I think we have to look at collective responsibility. Secondly, I recognise the enormous frustration on the part of the people of Alderney, for business and family communities, at the poor levels of service seen on our only realistic supplier. So, I will support the Requête.

The President: Thank you, Mr Harvey.
Mr McDowall.

1535 **Mr McDowall:** Thank you very much, Your Excellency, Mr President, States' Members, ladies and gentlemen. I have very little else to add other than the fact that we have a management here which fails to accept any responsibility, fails to ever even offer an apology and pushes responsibility both ways. I had the mixed pleasure this year of having to go to meetings with Aurigny – the air is quite static.

1540 Additionally, I am, frankly, disappointed: Andrew Haining, the new Chairman, had some idea of the issues when he came on board, but he does not seem to have made any difference in terms of motivating, changing the management, and I am very disappointed in that as well.

1545 Additionally, I do hope that the Strategic Review does go well. It is being chaired by Mr Lyndon Trott, who I understand was politically behind the purchase of Aurigny from private hands. I hope he looks and surveys it now with a little bit of despondency. He certainly should do. (**A Member:** Indeed.)

1550 I certainly support the Requête and the review of the Articles governing the relationship between Aurigny and its current shareholder. I hope it has an impact. I am afraid it will not improve the relationships of we individual States' Members or the States of Alderney with Aurigny, but I am afraid that is something we have to face. I hope they will still take me on their planes.

Thank you.

1555 **The President:** Thank you, Mr McDowall.
Mr McKinley.

Mr McKinley: I am not going to say very much, sir, as it has all been said. I think the Requête has been passed already, pretty well.

1560 What went wrong with Aurigny? Well, when they were operating here, they only had one type of aircraft, I believe. Operating in Guernsey, they have got four types. Flybe operate one type and make an enormous amount of money. I think the selection of their aircraft is wrong.

I also question the Strategic Review that is taking place and it is interesting that Mr Lyndon Trott was Minister when the company changed hands and went to the States and he is now the Chairman of this Review.

1565 The MoU is actually not strong enough. I think what we really need is a public service obligation for both groups and I think that is happening already and discussions are in hand with York Aviation regarding that.

I think it is an excellent Requête, I really do, and a lot of emotion has been spoken. I understand the basis of it all. I am concerned, having discussed it lots last week and over the last few days with a number of Guernsey Deputies, that this is not going to help us down there at all, but I would have said that I would prefer to see the result of the Strategic Review in January or February and then, certainly, if it was not along the lines that we were expecting, I personally would have raised a Requête in the States of Guernsey, much along the same lines as this. However, it is important for us to maintain a good relationship with the States of Guernsey and I do not think this is going to help us too much. So I question the timing of it.

I am not going to vote for or against this. I am going to abstain.
Thank you, sir.

The President: Thank you, Mr McKinley.

1580 Mr Jean, do you wish to speak on this subject?

Mr Jean: Yes, sir. Thank you, Your Excellency.

Only briefly to say a few things ... We know about the debacles of the Dorniers and we know that this goes back 20 years. What started the activity from myself and my late colleague, Paul Arditti, was the meetings that I sat through during the mid-1990s, roughly 1995 onwards, when we talked about the life cycle of the Trislanders coming to an end in 10 years' time, that was then.

We purchased land. We were advised to purchase the land around the airfield – which we did – in readiness to extend the airfield because we would be bringing in bigger planes.

1590 Someone at the People's Meeting mentioned buying shares in Aurigny. We already own shares in Aurigny. The money came from the General Revenue pot – much good it has done us. In other words, we contributed to the payment of Aurigny.

Disappointing for me that there was never any consultation about the recent fare rises of £11 this year, taking an airfare to Guernsey up to £121 – wow!

1595 No matter what action the Alderney States take, we cannot make any progress. It was never true that the provision of Jet A-1 fuel would avoid rising costs at the airport – which we were told. The costs just rose anyway.

I am seeing that this Requête is passed. You have all declared your hand and it is going to pass. If I had any chance ... Because we have not used enough of these last four years with wisdom ... We have no backup. What you do now, you do without backup and I say, 'Hold onto your hat, Harry' because we are going to have to buy a ferry. Now I mean it! This has got to stop. We go round in circles going on about Aurigny. I have not wanted to go on about Aurigny for the last three years. I walk away from all that and have no longer any interest in that. I want to see a different solution. Let this go on; this is long-term.

1605 What you are going to do today is going to cause a good storm – and I am going to join you. I am going to join that storm, but let me tell you this: we should be buying a ferry. You have got no backup, boys – and ladies!

Thank you.

1610 **The President:** Thank you very much.

Mr Roberts, do you wish to exercise your right of reply?

Mr Roberts: Yes, please – just a short one.

1615 The current CEO has been present in blunder, after blunder, after blunder, after blunder. We have got the new Strategic Review Panel – Mr James Dent – and if we pass this Requête tonight we are giving him our mandate to emphasise and fight for Alderney as a separate case. We need to make sure that Alderney’s demand for a proper and affordable air service is taken seriously and acted upon.

1620 If it fails, it displays weakness in Alderney. It will be seen as weakness in Guernsey and it will display weakness in Aurigny who will then, in turn, cut our service and hike our prices.

I am surprised at Mr McKinley, our Guernsey representative, that he takes that line, because I believe he should be representing Alderney and that does not seem like he is.

1625 Louis jumped in; he is going to support us, which I am delighted with. I could not agree more: we do need a ferry, Louis, as well, as a backup –

The President: Can we stick to the Requête, please, Mr Roberts.

Mr Roberts: Sorry, Mr President.

1630 We cannot wait for any more time. It was the right time last time. We wasted six months and we do not want to waste another six months. If we do upset Guernsey and we do tread on a few toes, I am very sorry for that. It is about time we stood up and we were strong.

The President: Thank you very much.

1635 Mr Greffier, could you put Item III to the vote, please.

The Greffier: Thank you, sir.

1640 This is a Requête. In concern of Alderney’s failing air service and economy, the States of Alderney is asked to vote for a motion of no confidence in the senior management of Aurigny and the Articles governing the relationship between Aurigny and its current shareholder, the States of Guernsey.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	None	Mr McKinley
Mr Birmingham		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr McDowall		
Mr Rowley		
Mr Roberts		
Mrs Paris		

The Greffier: Thank you, sir.

The motion passed.

1645 **The President:** Thank you very much indeed.

**IV. Questions and Reports –
None**

The President: We move rapidly to Item IV, please.

The Greffier: Thank you, sir.

Item IV this evening is Questions and Reports. I confirm that I have received neither.

1650

The President: I confirm that I have received none either.

**Billet d'État No. 2
for Wednesday, 19th October 2016**

**I. St Anne's Church Repairs –
Capital funding, final phase –
Item approved**

Item I.

The States of Alderney is asked:

to approve funding of up to £500,000 to be charged to the Capital Account for the final phase of the repairs to St Anne's Church.

The President: We move to Billet No. 2, please.

The Greffier: Thank you, sir.

1655

Billet No. 2 this evening, Item I is the capital funding of St Anne's Church repairs, the final phase.

A letter has been received from Mr Simonet in his capacity as Deputy Chairman of the Policy and Finance Committee and the States of Alderney are asked to approve funding up to the sum of £500,000 to be charged to the Capital Account for the final phase to repairs to St Anne's Church.

1660

The President: Thank you very much indeed.

Mr McKinley, as Convener, were there any comments on this at the People's Meeting?

1665

Mr McKinley: Very brief sir: the Chief Executive explained the report. It was clarified that the costed amount is for the provision of all final works required and that the States of Alderney own the Church.

The President: Thank you very much indeed.

1670

Mr Simonet, I believe you wish to propose it.

Mr Simonet: Yes, indeed, sir. Thank you.

I would like to say, Mr President, further capital funding is required to complete the repairs to St Anne's Church. This capital project was originally scheduled to start in 2011. Delays occurred that prevented any significant progress until 2013. Budget provision of £436,000 had originally been made in order to spread the works over at least five years. However, due to the

1675

delays in the project, no further funding was voted in 2015. From the original amounts voted, a sum of £123,000 remained unspent as at January 2016, with a further sum anticipated to be required in order to complete the full project.

1680 In early March this year a full quinquennial inspection was undertaken which highlighted a number of areas where further extensive repairs to the external fabric were required. However, the planned repairs resulting from this inspection were superseded by the effects of a severe north-westerly storm on the 11th March which saw significant direct and consequential damage to the roofs and ancillary components of the main tower, the stair turrets and the mid-level link passage, the north and south transepts, the nave and north and south aisles. The damage to the upper stair turret included significant structural damage to the upper external stone walls.

1685 The damage was reported to the States' insurers and an early decision to provide full access scaffolding to be built at a high level enabled the full extent of the damage to be surveyed and an agreement to be negotiated with the insurer's loss adjustor would identify the full extent of the insured works' content.

1690 In addition, the opportunity was taken to undertake other repair works – clearly not the responsibility of the loss adjustor but nevertheless identified by the quinquennial inspection and essential to the continued maintenance of the building. This additional work includes structural repairs to the upper stair turret and the parapet walls of the nave, north and south aisles, various masonry and glazing repairs and complete renewal of the existing roof coverings and ancillary components to the main tower, north and south transepts, upper and lower stair towers, north and south aisles and the nave. I hope you all took that in! (*Laughter*)

1695 It is clearly in our interest to take advantage of the scaffolding that has been paid for by the insurance to carry out the high-level essential remedial work that has been identified by the survey. Failure to do so would place us in the unenviable position of having to pay for the scaffold ourselves at a starting price of £250,000 whenever the deteriorating tower fabric compels us to do so.

1700 The core quality of the work is being carried out by the specialist contractor, Ellis & Co. It is of the highest standard and once completed will be expected to last, without need for any heavy maintenance, for the next 25 years.

1705 Thank you, Mr President.

The President: Thank you, Mr Simonet.

Mr Rowley, I believe you wish to second this.

1710

Mr Rowley: Yes, thank you, Mr President, Your Excellency.

1715 Having served on the General Services Committee for four years and one year as Chairman, I can confirm that it has been an absolute nightmare trying to get the spire fixed properly. We could not find anybody who could operate at that height and the scaffolding was a problem. So, in a way this storm has actually solved all our problems and has actually paid for it. Now we have got the right people there and it is absolutely brilliant. I think we have to thank Axiom Ltd for sorting a lot of this out, for actually co-ordinating everything, and the States' engineer and the local contractor and Ellis & Co.

1720 What else can I say, really? This is a very important building. It is probably the finest church in the Channel Islands. It is a Gilbert Scott. Somebody here had the foresight to actually commission him to build it. They had the money as well to pay for it, which probably came from privateering which must have been more interesting, I think.

1725 It is just nice to see that one of our decent buildings has been properly maintained and this is actually going to work. It seems to be a real success story. As I said, Gilbert Scott is certainly one of the greatest British architects of the 19th century – if you are into gothic revival – throughout the whole of Europe or the world even. There you go, I cannot be saying much more to you, but it is money well spent and it is a really fine building that we need to preserve properly.

The President: Thank you, Mr Rowley.

1730 I am not certain that the Impey family would like a reference of privateering. *(Laughter)*
Thank you. Does any Member wish to speak on this?

Mr Harvey: Thank you, sir.

1735 I share Mr Rowley's view on the architecture. My interest in the church, as I sadly have to
confess, is more architectural than spiritual. But it is a very large sum of money: in total about
£1 million to spend on the church. I would just ask two questions, really. If I would understand it,
Mr Simonet is unable to answer those at the moment. Firstly, although there is no legal
1740 requirement upon them to do so, is there some suggestion the Diocese might make a
contribution towards this? Secondly, what degree of confidence do we have that this final
amount will be enough to provide a lasting solution to what seems to have been a very long
drawn-out problem?

The President: Thank you, Mr Harvey.

Mr Jean.

1745

Mr Jean: This project with our amazing monument of the church ... And it really is an amazing
church. We are so lucky to have that church. We have to pay for it. We do not have any choice.

1750 I agree with Mr Harvey's points about Diocese and whether they would make a contribution.
It is well-known that the church is a wealthy organisation and perhaps now would be the time to
give the inside of the church a thorough revamp and a redecorate once this work is done. I think
that they should look at the contribution that Alderney has made to this magnificent,
masterpiece of a church and back it up with some action inside the church, like a good old
repaint. That would make me feel a lot happier about it. But I am very pleased the work is being
done – wonderful.

1755

The President: Thank you, Mr Jean.

Mr McKinley? (**Mr McKinley:** No, sir.)

Mr Tugby

1760 **Mr Tugby:** At long last the work is being done. It is unfortunate it carried on for a long time.
What happened was three years ago, four years now, we were advised to get in specialists to
run the project from Guernsey. Unfortunately, they did not live up to their reputation and they
started at the bottom, instead of ... The result is now is they have started at the top and are
working down, and it has been causing damage to what had previously been done.

1765 I am a little annoyed, basically, because it was our Committee that commissioned this in the
first place, and at every Committee meeting I have asked about an update on the church and
none of these figures have been put forward. I do not know why, but there is never any, so none
of them could be questioned. I realise the scaffolding now is paid for by the insurers, which has
relieved some of my concerns. We should have been informed. I go into the States most days
1770 and I ask, 'Is there anything I should know?' I am told, 'No.' Then this is put on the agenda – a
special Billet – which did not even get chance to be discussed. We discussed it yesterday, in fact,
in a General Service meeting and I am assured by the technical officer that this work should be
the final price that we would have to pay and it should carry us through for the next 20 years.
Hopefully, his judgment is correct, because I see the project manager and that has cost quite a
1775 lot of money – an administrator. Hopefully, this will be the end of it and we can finally put this
matter to rest.

The President: Thank you, Mr Tugby.

Does any other Member wish to speak on this Item? No.

1780

Do you wish to exercise your right of reply?

Mr Simonet: Yes, I will just sum up on a few points. I take Mr Harvey's point about discussions with the Diocese. I believe those actually are taking place. I will not prejudice the outcome at this stage, but I will pray for the right one. *(Laughter)*

1785 As for a lasting solution, over the years anybody who has taken an interest in that church ... It is our iconic building and the repairs that have been carried out have been very mixed in actual fact. What is happening now: this team Ellis & Co are a team of craftsmen in church renovation. I encourage all States' Members to go down there and look at it and look at the quality of the work. I can give you an instance of what is taking place. If you stand back from the church and
1790 look at the spire, you will see these appalling concrete hips that have been placed up there some time in the past which is just reinforced concrete. The concrete is now slipping and has to be changed, but it is being changed and put back to the way that it was originally designed by the Victorians and to the same standard. So those hips will now be rolled out on timber to the right shape and I have no doubt they will look quite magnificent when viewed from the churchyard.

1795 As far as the rest of the work is concerned, given the quality of the work, the louvres to the main tower are also being changed. They are reinforced concrete and they have been replaced as they should have been replaced originally with the original type of slate – so they had been slate.

1800 When that church is finished and the work is finished at a higher level, I think everybody will be delighted at the quality of the work that has been carried out and I am convinced that it will have no further problems at a high level for many years to come. I think, again, there is another lesson there because many times – as Mr Tugby points out and he is always concerned about the finances and rightly so – sometimes you have to spend the money to get the right craftsmen and the right supervision to get the right outcome. We have done this in this case and I am very
1805 proud to see the work that is being carried out at the moment.

Thank you.

The President: Thank you, Mr Simonet.

Mr Greffier, would you put Item I, Billet No. 2, to the vote please.

1810

The Greffier: Thank you, sir.

The States of Alderney are asked to approve funding of a sum of up to £500,000 to be charged to the Capital Account for the final phase of the repairs to St Anne's Church.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	None	Mr McDowall
Mr Birmingham		
Mr Jean		
Mr Harvey		
Mr Simonet		
Mr Rowley		
Mr Roberts		
Mrs Paris		
Mr McKinley		

Mr McDowall: I am abstaining because I am the Treasurer of the Church.

1815

The Greffier: Thank you, sir. That motion passes.

The President: Thank you very much, Monsieur Greffier.

I believe that concludes this evening's business and I will ask you to close this session, please.

PRAYERS

The Greffier

The Assembly adjourned at 8.10 p.m.