



OFFICIAL REPORT

OF THE

STATES OF THE

ISLAND OF ALDERNEY

HANSARD

The Court House, Alderney, Wednesday, 15th November 2017

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

Volume 5, No. 9

Present:

Mr Stuart Trought, President

Members

Mr Tony Barnes

Mr Matthew Birmingham

Mr Mike Dean

Mr James Dent

Mr Louis Jean

Mr Graham McKinley

Mrs Norma Paris

Mr Steve Roberts

Mr Alex Snowdon

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

The President: I would like to formally welcome His Excellency the Lieutenant-Governor, Vice-Admiral Sir Ian Corder and his wife to this meeting.

ROLL CALL

The Greffier

The Greffier: Thank you, sir. All 10 States Members are present this evening.

Convener's Report of the People's Meeting held on 8th November 2017

5 **The President:** Thank you very much, Monsieur Greffier.
Could we start please with the Convener's Report for the States Meeting, Mr Barnes.

10 **Mr Barnes:** Your Excellency, Mr President, the People's Meeting was held on 8th November. I
was Convener, I was assisted by the interim Chief Executive. There were three States Members
present, we had three apologies. As well as yourself, the minute secretary, there were four press
and 42 public.
Thank you.

The President: Thank you very much indeed, Mr Barnes.

Billet d'État for Wednesday, 15th November 2017

I. Inter Island Freight and Passenger Service Contract – Agreement between General Services Committee and Alderney Shipping Co Ltd - Item approved

Item I.

The States is asked:

To authorise the General Services Committee to enter into an agreement with Alderney Shipping Company Ltd for the provision of shipping services for the transportation of freight between the islands of Guernsey and Alderney (and return), commencing on 1st January 2018 and expiring on 31st December 2022. This is without prejudice to the provisions of the Alderney and Sark (Licensing of Vessels) law 1951 which requires operators of regulated passenger and cargo shipping services to apply for licences from the Lieutenant Governor of Guernsey as licensing authority.

15 **The President:** Monsieur Greffier, if you could move to Item I on the Billet, please.

The Greffier: Thank you, sir.

Item I this evening is the Inter Island Freight and Passenger Contract. A letter has been received from Mrs Paris in her capacity as Chairman of the General Services Committee and the States of Alderney are asked to authorise the General Services Committee to enter into an agreement with Alderney Shipping Company Ltd for the provision of shipping services for the transportation of freight between the islands of Guernsey and Alderney (and return), commencing on 1st January 2018 and expiring on 31st December 2022. This is without prejudice to the provisions of the Alderney and Sark (Licensing of Vessels) Law 1951 which requires operators of regulated passenger and cargo shipping services to apply for licences from the Lieutenant Governor of Guernsey as the licensing authority.

The President: Thank you very much.

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

Mr Barnes: There were no comments on this Item.

The President: Thank you very much indeed.

Mrs Paris, I believe you wish to propose this.

Mrs Paris: I do, sir.

Your Excellency, Mr President, fellow States Members. The Inter Island Freight Contract: the current Inter Island Freight Contract expires at the end of this year and although the States does not have a financial, direct commitment with regard to it, this contract is, nevertheless, of very great importance to Alderney. It is the link by which much of our food and our freight arrive on Island.

As a result of the tendering process we received two tenders. Our market here is small, arguably not big enough to sustain more than one supplier of service, as we found to our cost several years ago. However, to have more than one tender benchmarks the competition for the market, even if we do not have competition within the market. The tenders were evaluated and compared on several different key criteria. It was interesting that in some respects, for example,

pricing, the tenders were not at all dissimilar. In terms of direct comparison, Alderney Shipping generally had the edge for pricing.

50 However, even in these hard economic times, whilst pricing is very important, it is by no means the only criterion that needs to be taken into consideration. A very detailed analysis and report was presented to the General Services Committee at their special meeting on 20th October and these reports have subsequently been circulated to all States Members for their information. As a result of close consideration of all the facts relating to the quality of the two proposals, it was the Committee's unanimous decision that the new five-year contract should be awarded to
55 Alderney Shipping Company.

I would like to commend this decision to the States.

The President: Thank you very much, Mrs Paris.

Mr Dean, I believe you wish to second this.

60

Mr Dean: Your Excellency, Mr President, fellow States Members, I would.

Whilst we are not responsible for facilitating competition, we do have a duty of care to the Islanders for any contract we award, whether that is a new provider or a renewal of a current freight service provider. Our role on the General Services Committee is to ensure that the freight
65 contract tender process and the subsequent appointment of the successful applicant, we not only have to ensure the Islanders get good value but we also get a good, regular, reliable service and that the company has a back-up plan, should any unexpected problems arise.

After extensive valuation of the two tenders, with all the information that we were presented with, I am confident that Alderney Shipping achieved and met the required standards, not only on
70 cost, but on all aspects of the contract and it is for that reason that they will gain my vote.

I also look forward to working with Alderney Shipping and having regular meetings throughout the length of the contract to ensure that the Island gets the best possible service. I would like to pursue the option of possibly changing the day on which the boat arrives to ensure we get fresher produce and also liaising with all the current and future freight customers to ensure that they get
75 the service that they require.

Thank you.

The President: Thank you, Mr Dean.

Does any Member wish to speak on Item I? I gather you do, please proceed.

80

Mr Snowdon: Your Excellency, Mr President, thank you very much, and fellow colleagues.

I received two emails this morning. One was from the Chamber of Commerce and one was from a supplier of a large amount of produce to the Island. They raised quite a lot of concerns with apparently price increases that are about to take place. I am not quite sure what security the
85 contract with Alderney Shipping has, but is there some sort of price cap with the import of stuff to the Island that there will not be significant price increases, because it is five-year contract, so it is quite concerning. Hopefully there is some sort of cap; I would really like some clarification on that.

Thank you.

90

The President: Thank you, Mr Snowdon.

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

Mr Dent: Your Excellency, Mr President, colleagues, I shall certainly be voting to accept this
95 contract. The GSC have been tasked to examine the tenders and they clearly obtained the detail and comprehensive report from our Strategic Financial Advisor, Mr Stephen Taylor. We cannot re-examine everything, that is why we have Mr Taylor and the GSC, and I am sure they have been properly through the merits and demerits of both tenders.

100 Having said this, I am a little concerned about the recent performance of the incumbent. I hear stories of not properly stored chilled pallets and other problems. I hope these are simply temporary aberrations.

Finally, can I ask the Chair of GSC to confirm that this contract will be in the public domain? The previous contract was not and I could see no good reason for it not to be.

105 Thank you.

The President: Thank you, Mr Dent.

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

110 **Mr Jean:** Your Excellency, sir, I would like to reiterate my colleague, Mr Snowdon's, comments. I too have been approached about the shipping contract itself. What I am concerned about is whether the process itself has led to a rise in the shipping rate, if that is so. I would like to know if it has gone up, I think this will have a bearing on my decision. I want Alderney to be as competitive as possible about things like this. It is very important we are competitive and if the process itself has led to this it is pretty disappointing, and I must say it is of great concern to me.

115 Thank you, sir.

The President: Thank you, Mr Jean.

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

120 **Mr Roberts:** Your Excellency, States Members and Alderney public, Alderney Shipping has served this Island well for many years. However, complaints of pricing and one or two other issues of late cloud the service contract that is up for award. Prices are too high: 14 chickens, £120. A proper PSO contract with certain stipulations and penalties should be raised to bring our sea links into the 21st century, which demand standards as never before, a binding contract of good and affordable service. I would like to see this put in place. General Services is meeting Alderney Shipping at their next meeting, I believe, to discuss such matters. The contract was awarded on paper merit and fiscal reliability to a service that is very vital to Alderney. It now brings most of our mail, as Aurigny have now cancelled the mail charter every morning. I tell you what – if Aurigny came in as regular as Alderney Shipping we would all be happy.

130 Thank you.

The President: Thank you, Mr Roberts.

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

135 **Mr Tugby:** Your Excellency, President, fellow States Members, I have different views on the shipping contract. I have had different views for a number years and I have always thought that there are other ways of doing things but all I am ever told is, 'no, we can't do that, we can't do this'. In my book there is no such thing as can't. If I had the same attitude in my business I would have been bankrupt years ago. Sometimes, when you are having difficulties, you have to be prepared to go out of your comfort zone and think outside of the box.

140 I have put forward over the years to actually look, just look – not say we would go down that route – at the possibilities of the States owning their own boat which would include a passenger ferry with cargo. Because people over the years have said we need a passenger ferry, but it would be very difficult for a passenger ferry to make a profit and run year-round from the UK if it did not have the cargo as a backup, that would be the bread and butter of the running of the service. But for some unknown reason, my fellow States Members never want to look into this view. I brought this up after the last contract was awarded and I have tried a number of times to get them to look at it.

150 There are boats out there which would be suitable for Alderney. I know that the States could not run it itself, but you would appoint a manager who is paid on performance. And unlike some

people that no matter how bad they are managing things do not get the sack, you make sure in the contract you could get rid of him if he did not deliver the goods. That is the way I look in my business, and that is how I feel the States should be run. Treat it as a business and see if there are options, do not just go down and take the easy route and let everybody follow suit. It might not
155 be possible to do it, but at least have a look and do the costings. We know what freight on average comes to the Island.

Years ago we had the *Devonian* which was coming from England, it was doing brilliantly. That was carrying hundreds of passengers at a time in the summer and it was running all year round. We also had the Guernsey service as well, which came on Alderney Shipping at the time. What
160 happened with the *Devonian* was that the States, in their wisdom, allowed other people to muscle in on the English run and then Huelin Renouf at the time went and bought the *Devonian* and shut it down immediately because it was taking freight into Guernsey every so often and it was affecting Huelin Renouf's business. So that is why we lost the Huelin Renouf boat. It was not because it was not profitable; it was because another firm was being damaged slightly by it, so
165 that is why.

We have got no option now but to give Alderney Shipping the contract again. I know they do a good service but we have got to look at how we are going to get passengers. We are talking about a passenger ferry in with Guernsey and Jersey, but now it seems we are going to be tagged on along at the end of it and not be included in the main contract, we are going to have a separate
170 contract, maybe, if a company wants to do it. That is why I maintain the States should investigate. It is too late now for this one, but at least look seriously in the future, if it is possible. If it is not possible we just forget about it, but at least have a go, because I am fed of being on the States and being told, no matter what ideas I put forward, 'Oh we can't do that,' 'We can't do this.' There is no such thing as can't – if you put your mind to it you can do it.

175 Thank you, sir.

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

180 **Mr Birmingham:** Thank you, Your Excellency, Mr President, I shall say from the top I shall be supporting the resolution today but I want to echo the views of Mr Tugby. I think this is one thing that both him and me have agreed on a number of occasions over the years. I think in the initial P&F meetings, over about four or five years, at the start of the year, I have said we do realise the freight contract is up for renegotiation soon and maybe we should look at other considerations.

185 We need a longer term strategy for our freight delivery to the Island. We cannot guarantee that the size of vessel that is needed to serve us in Alderney is going to be available. We cannot guarantee, longer term, that our facilities at the harbour are going to be adequate. Many will have been paying attention in Guernsey, there have been issues raised about hydrocarbons delivery in Guernsey. That will have a long-term potential effect on us, because if the *Sarnia Cherie* and the
190 other vessels go, that will mean that there will be an issue about how we get fuels into the Island.

There are issues with replacement cranes and risk register to consider. Mr Tugby will no doubt remember that one of the advantages that the harbour had in the past was that if the harbour crane broke down there was the possibility of using the one that was used on the breakwater as a replacement, that is not open to us now. And earlier on this year we had a situation where the
195 crane broke down and we were actually unable to unload the boat with the fruit and veg that was required to come off. That is a serious risk and relative weakness for the Island, we really need to address it.

But, having said that, Alderney Shipping have always done us, I believe, well. Their service is regular, it is very rare that there are problems. I think there was a mention made of some issues
200 around chilled goods – that is one of those things. Occasionally, from time to time, you will have a breakdown on the reefers that operate, that is just one of those things that happen. As a customer of theirs, in general, I have to say that their service has been pretty good over the years.

I will support it today, but we really do need to consider our longer-term strategies and that includes looking at all those options that Mr Tugby mentioned.

205

The President: Thank you, Mr Birmingham.

Do either of the two remaining Members wish to speak on this Item? Mr Barnes.

210

Mr Barnes: Your Excellency, Mr President, fellow colleagues, I was not going to say anything on this subject but I have been listening to my colleagues around the table.

215

I think number one is we do have to give Alderney Shipping a lot of praise for their consistency of delivery, they are here regularly. But at the same time we do have to look at some of the circumstances, especially with the mail and other deliveries that get damaged and this is something that next week, hopefully, we will take up with them. But I think in these times when we have so many transport issues, it is vital that we keep to what we know and the reliability that we get.

Thank you.

220

The President: Thank you very much.

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

Mr McKinley: No, thank you, sir.

225

The President: Mrs Paris, would you like to exercise your right of reply?

Mrs Paris: Yes, I would, sir.

230

I would like to say, firstly, in answer to Mr Tugby's general point that at the beginning of the year we set up a working group called the Sea Transport Action Group and their remit was to look for a passenger ferry which hopefully could carry freight as well. We got to July and there were no expressions in interest in taking this on. Therefore the freight contract became a very important issue to get sorted out because the current contract ends at the end of this year, and we were looking on 1st January, therefore, to have no one who would bring in our food and freight. It is sad, I agree, that there were no expressions of interest, but unfortunately that was a fact of life.

235

I take the point about the harbour crane and general services; I have taken the view that it should be replaced quite soon. This is a very expensive piece of kit, but we are taking the view that unexpected repairs to it, as it ages, is not a good policy and it would be far better to get rid of it, while it still has some residual value, and buy a new one.

240

Other points that have been raised: I think, starting with Mr Snowdon's point, there is obviously within the contract the possibility of retail price index inflation increases. As I said in my original speech, I think the very fact that we have two tenders where the prices were pretty well identical over a wide range of issues, should give us some comfort that what we are talking about here is a contract where the prices are about right. We may think they are expensive, and those poor hens keep on reappearing at the meetings! But the facts are the facts; these seem to be the prices that people will do this job for, so we do not have a lot of choice but to accept that.

245

There have been recent problems. The most unfortunate time to have problems, and I have spoken to Mr Kay-Mouat about the issues that have been raised about the spoilage of chilled and refrigerated food and a couple of other things. He has stepped up to the plate and said one of the issues was entirely down to human error, it was actually a subcontractor, but he obviously falls on his sword because it was his subcontractor. The other incidents were the breakdown of a refrigerated unit, which had been serviced the week before. I am afraid these things happen and I think we do have to recognise that that boat comes in week in, week out, and the serves us really very well, and has done over the years.

250

Mr Dent raises, why shouldn't the contract be in the public eye? I do not see any reason why it should not be, and I would hope that we would be able to do that. As I think Mr Roberts has

255 already mentioned, we have Mr Kay-Mouat attending our next General Services meeting, because
obviously there are some issues we would like to talk through with him and I think we all take the
point, and Mr Kay-Mouat does as well, that it would be good if there was more communication
through the course of the contract so that he is more aware of how we feel about it and equally,
260 perhaps, we can be understanding on some of the difficulties that he faces serving a very small
community, in very rough seas in the winter, and being as regular as he can with very few
incidences of things going wrong.

I think foremost in our mind has to be that on 1st January, without this contract, we have no
one to bring our food to us. So I will stop talking at this point and hope that my fellow Members
will bear this in mind as they vote.

265

The President: Thank you very much, Mrs Paris.
Monsieur Greffier, would you please put Item I to the vote.

The Greffier: Thank you, sir.

270

The States of Alderney are asked to authorise the General Services Committee to enter into an
agreement with Alderney Shipping Company Ltd for the provision of shipping services for the
transportation of freight between the islands of Guernsey and Alderney (and return), commencing
on 1st January 2018 and expiring on 31st December 2022. This is without prejudice to the
provisions of the Alderney and Sark (Licensing of Vessels) law 1951 which requires operators of
275 regulated passenger and cargo shipping services to apply for licences from the Lieutenant
Governor of Guernsey as licensing authority.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	None	None
Mr Birmingham		
Mr Jean		
Mr Roberts		
Mrs Paris		
Mr McKinley		
Mr Dent		
Mr Snowdon		
Mr Dean		
Mr Barnes		

The Greffier: Sir, that passes unanimously.

280

The President: Thank you very much indeed.

**II. Proposed Increase in Mooring Charges for 2018 -
Item approved**

Item II

The States is asked to approve to resolve:

(a) the rates for mooring charges as set out in the Schedule of Charges attached with effect from and including 1st January 2018 and

(b) a concession to offer one night free of charge for visits over 48 hours on a trial basis.

The President: We move to Item II, please, after the Convener's Report, Mr Barnes.

285

Mr Barnes: There were no comments on this Item.

The President: Thank you very much, Mr Barnes.

Will you read out Item II please, Monsieur Greffier.

290

The Greffier: Thank you, sir.

Item II this evening is Proposed Increase in Mooring Charges for 2018. A letter has been received from Mrs Paris in her capacity as Chairman of the General Services Committee and the States are asked to approved to resolve firstly the rates for mooring charges as set out in the Schedule of Charges attached with effect from and including 1st January 2018; and secondly a concession to offer one night free of charge for visits over 48 hours on a trial basis.

295

The President: Thank you very much indeed.

Mrs Paris, I believe you wish to propose this?

300

Mrs Paris: I do, sir, thank you.

Your Excellency, Mr President, fellow States Members, It is five years since the mooring charges for visitors have been increased and recently we have made some significant improvements to the infrastructure for the use of visitors down at the harbour, with showers and toilet facilities there. We wish to be cautious about this increase, but also to try and change the emphasis on how we are charging these mooring fees, because obviously these are visitor mooring fees, there is no proposal to increase the mooring fees for local boats.

305

By offering the concession of one free night after a stay of 48 hours we hope to encourage visitors to stay longer and enjoy the many things that Alderney has to offer and obviously to hope that this will help our economy a little too. The new policy will be very carefully monitored over the summer to access its impact on revenue, because we have to be aware of the harbour revenue, and therefore I would like to commend this proposal to the States.

310

The President: Thank you very much, Mrs Paris.

Mr Barnes, I believe you wish to second this ... Mr Snowdon, a point of order? Just one moment, please.

315

Mr Snowdon: No, I was going ...

The President: Okay, thank you.

Mr Barnes, please carry on.

320

Mr Barnes: Your Excellency, Mr President, I do second this motion, and really I have nothing to add, sir, to Mrs Paris's comments.

Thank you.

325

The President: Thank you very much indeed.

Does any Member of the States wish to speak on this Item? Mr Snowdon.

330 **Mr Snowdon:** Your Excellency, Mr President, fellow colleagues, I am quite concerned about
this. We did discuss it at the Tourism Action Group recently and we were a little bit upset that we
were not consulted over this. If we just go through it really simply, a stay in Guernsey is £19 in the
Marina, so when you stay in Guernsey you have got the marina service, you are straight into St
Peter Port, with no other costs, really. So if you are staying here you have got now £20, which is a
335 33% increase, and then you have got potentially a water taxi per person, which is £1.50, I
understand, unless somebody wants to give me the correct price if I am wrong, then you have also
potentially got a taxi into town, so I think we are actually pricing ourselves out of the market. We
do not have the marina services here, obviously, but potentially in the future we do, and I am
really concerned that this is considerably quite a lot higher.

340 I also understand that a stay in Alderney on the average is actually one stay for sailors and
everything. I know there is an argument that sailors have a lot of money, but I would disagree, this
is quite an increase and I am quite concerned about it, and I know that tourism is as well.

Thank you.

345 **The President:** Thank you, Mr Snowdon.

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

Mr Jean: Thank you, sir. Thank you, Your Excellency, I am quite concerned about what Mr
Snowdon has just said. It is a large sum considering what we offer is basic. And I do accept the
350 points that Mrs Paris is making regarding the improvements that have been made at the harbour,
but when I think of what you have in Guernsey and elsewhere, for less, as we have just been
informed, this is probably too much.

The opportunity for me here to look at the basic situation of the moorings, which we have been
providing for years, would be something that, I think, I would like to pass into the General Services
355 Committee and ask if they could look at a situation – instead of us trying to dream about marinas
that never happen in 40 years – to take a more basic approach to the situation. To look at perhaps
budgeting to buy one pontoon and one column a year, and find a place so that it can rise up and
down either at the back of the quay and fit them in wherever you can, have them dropped in place
each year ready for the season, rather like you do the buoys and the anchors on the chains, and
360 take a more basic approach to trying to upgrade the facility that we offer the visiting yachtsman.
I know it might not be much, if we could do one pontoon a year, if we could do two; even better,
if we could get three in place; fantastic, however long it took us. Those kind of basic, practical
approaches, upgrading the current facility. And let's face it the yachtsmen that do come into
Alderney, I believe, are far from amateur. The ones that will make their way to Alderney to swing
365 on a buoy in the night and sometimes, not always in good weather, sometimes very inclement,
and they are swinging away telling me they have not had a good night's sleep and what have you
and it has not been easy.

We should, if we could, look harder to try and improve the current situation, which has been
so basic for years, and makes us less competitive. Because in a north east wind the harbour
370 empties out, the boats go, they are gone, so if you have a really bad, windy summer, Alderney is
not a good place to come and our figures suffer from that.

So what I am saying, if we could look at more permanent solutions that would be my hope
from this, and let's not look for pie in the sky, if a marina scheme comes along I would entertain
it, but I would like to look at something far more basic, and us doing it bit by bit, if necessary.

375 Thank you, sir.

The President: Thank you, Mr Jean.

Does any other Member wish to speak on Item II? Mr Dent.

380 **Mr Dent:** Your Excellency, Mr President and colleagues, I do not think we are pricing ourselves out of the market. Yachtsmen are generally better off than the average visitor. I for one particularly welcome the incentive for spending longer periods in Alderney; this can only be good for our economy.

385 **The President:** Thank you, Mr Dent.
Does any other Member wish to speak on Item II? Mr Tugby.

390 **Mr Tugby:** Yes, sir. I think we will have to put up the prices purely to maintain what goes on down at the harbour. But I think Mr Snowdon was wrong with his figures about Guernsey, it depends on the size of the boat because if you go over the 30-odd, 40 foot you are looking at £30-odd. Alright, you have got much better facilities down there. For some unknown reason people on cruisers do not really like going on a swinging mooring the same as what a yacht would do, they must be tougher on yachts, I don't know! *(Laughter)* They seem to put up with it much more than what people on cruisers will. I know I stayed on mine one night out there and it was a total nightmare. The yachts might seem quite happy, I prefer to be in a marina myself, but because I cannot see us ever having the courage of building a marina ourselves, no matter what, because as I said in my previous speech, we seem frightened to do anything for ourselves, we have got no choice but to increase the charges.

400 I would like, similarly to what Mr Jean said, I have been looking down there because I am a passionate believer in having a marina here, but if we are not going to have one we could improve the facilities down there. At the present time for the dinghy's you get a couple of 30-foot ribs coming in and then the poor yachtie cannot even get on it unless they scramble over about four or five boats, other dinghies to get there. It would not take much to improve the facilities down there. And if we really wanted to go to town we could maybe look at extending the quay another 10 foot, it would cost a bit but not a vast amount, and it would shelter that corner reach even more than what it is. The Harbour Master said that along the commercial quay is much more sheltered now since they put on the original extension, so another 10 foot might make that corner much more sheltered. It might not be possible, but it would be worth having a look and doing a costing on it because after all we have still got the moulds at Fort Albert to make the concrete blocks so they could be made over here, which would cut down the costs. But it is options we could look at and maybe make it more enticing because the ones with the cruisers they are the ones –

The President: Mr Tugby, do you have a view on increasing the mooring fees?

415 **Mr Tugby:** Yes, that is what I was saying ... *(Laughter)* I might get carried away occasionally, sir. *(Laughter)* Can I carry on?

The President: Yes, carry on.

420 **Mr Tugby:** I am just putting forward ideas; I do not get the opportunity very often. *(Laughter)* Yes, I agree, you have got to put up the charges and yes, they can afford it, basically. *(Laughter)*

The President: Thank you, Mr Tugby.
425 Does any other Member wish to speak on Item II? No, in that case, Monsieur Greffier, if you would put Item II to the vote, please.

The Greffier: Sir, I think Mr Dean would like to have the opportunity to speak as well before we ...

430 **The President:** Mr Dean, sorry.

Mr Dean: Your Excellency, Mr President, fellow States Members, I do support putting it up, we did speak long and hard about it at GSC and it was one of the things that would be monitored and if there were a lot of complaints about the cost it would be revised.

435

The President: Thank you very much.
Mrs Paris, do you wish to exercise your right of reply?

Mrs Paris: Yes, sir, I would like to.

440

I should like to say, first of all, that I am totally in agreement with Mr Jean and Mr Tugby, that it would be wonderful for us to have a marina. I know over the past 40 years we have had some very large and expensive schemes come forward. And it is the view of the General Services Committee, as an active policy at the moment, to try and look at something which is simpler and cheaper, but an improvement, and then, hopefully, if it turned out to be a roaring success, which I think we all think it probably would be, that we could extend from there. So these are things that General Services are looking at.

445

But in the meantime, back at the ranch, we need to sort out the mooring fees. Yes, I think it is fair to say that we are all quite cautious about this, which is why we intend to monitor it very carefully in the summer. Because it is a slight change of direction and we are aware that we are getting near the prices that other people are charging for better facilities than we have.

450

The President: Thank you very much, Mrs Paris.
Monsieur Greffier, would you like to put Item II to the vote, please.

455

The Greffier: Thank you, sir.
For clarity, would you like that taken as one vote or two?

The President: Yes, take it as one vote, if it fails we will take it as two.

460

The Greffier: Thank you, sir.

In that case the States to asked to approve to resolve firstly the rates for mooring charges as set out in the Schedule of Charges attached with effect from and including 1st January 2018, and secondly, a concession to offer one night free of charge for visits over 48 hours on a trial basis.

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Tugby	Mr Jean	None
Mr Birmingham	Mr Snowdon	
Mr Roberts		
Mrs Paris		
Mr McKinley		
Mr Dent		
Mr Dean		
Mr Barnes		

465

The Greffier: Eight votes to 2, sir, that motion passes.

The President: Thank you very much indeed.

**III. Questions and Reports –
Policy and Finance Report –
Airlinks**

*Item III.
Report on Airlinks.*

470 **The President:** Could we move to Item III, please.

The Greffier: Thank you, sir.

475 Item III this evening is Questions and Reports. I confirm receipt of a single report from Mr Dent in his capacity as the Chairman of Policy and Finance Committee and that report is entitled 'Airlinks'.

The President: Thank you very much.

480 Prior to introducing your report, Mr Barnes, were there any comments on this at the People's Meeting?

Mr Barnes: There were no comments on this Item as there was no report available at the time.

The President: Thank you very much, Mr Barnes.

485 Mr Dent, would you care to introduce your report, please.

Mr Dent: Your Excellency, Mr President, colleagues, There was no report at the time basically because the situation, as I think you all understand, is fairly fluid.

490 Alderney is a major contributor to the Bailiwick's economy. In 2016 the Island's role as the regulator for online gambling was estimated to add £26 million annually to the Bailiwick GDP, that is £6 million in Alderney and £20 million in Guernsey, and in addition to that £1.5 million in the form of personal direct taxation, sums that are all continuing to increase. With these monies in mind, I believe that our economy and our economic drivers should be treated with the same seriousness as the Guernsey economy and Guernsey's own economic drivers.

495 As Chairman of the Policy and Finance Committee I want to start by restating the following two critical points: first the States of Guernsey November 2015 Scrutiny Committee Report entitled 'Security of Air Links' and their recommendation number 16 which was:

The Guernsey Government has an obligation to provide year round, adequate and reliable air links to Alderney. The air link between Guernsey and Alderney is considered a lifeline route with the link to Southampton strategically vital. The best way to secure this service is by means of a Public Service Obligation (PSO) agreement which must be secured as a priority. Once established the PSO must be protected from risk of being undermined by an independent operator running services from Alderney for which a Guernsey air route licence is not required.

And secondly, the second of the two critical points, as confirmed in the February 2016 Memorandum of Understanding between the States of Guernsey and their STSB, that is their States Trading and Supervisory Board and the States of Alderney:

Aurigny operates scheduled passenger and freight services between Guernsey and Alderney and between Alderney and Southampton. Whilst these services are currently loss-making, it is acknowledged that they are of fundamental importance to the long-term social and economic sustainability of Alderney.

500 These were important statements of States of Guernsey policy and I have no knowledge that either policy position has been changed.

On 25th October, at a meeting to discuss the implementation of public service agreements, the President of Guernsey's Committee for Economic Development surprised us with an announcement of a recommendation to change the Bailiwick air transport licensing policy.

505 Alderney was represented at that meeting by myself and two other States Members, Louis Jean
and Mrs Norma Paris. The States of Alderney Economic Development Officer, Mr Paul Veron, was
also present. The Committee for Economic Development was represented by its Chairman, Deputy
Peter Ferbrache and States Members Deputy Jennifer Merrett. On their side they were assisted
510 by Mr Chris Williams, Chief Secretary to the Committee for Economic Development and Mr Steve
Wakelin, Chief Strategy and Policy Advisor to the Guernsey P&R Committee.

We were informed of three important new policy recommendations being considered by the
Guernsey Committee: Aurigny were to be given, without any enquiry into any of its inefficiencies,
a five-year monopoly for operating the Gatwick-London route, an important lifeline, of course, for
the Bailiwick and particularly important for the Guernsey economy. On the Guernsey,-Alderney
515 route a public service agreement would be competitively tendered, a minimum schedule/service
capacity would be specified and there would be penalties for non-performance, although Aurigny
might decide to tender in its own right they did not tender and if no other candidate operators
came forward, Aurigny would be the operator of last resort, such being close to the model
proposed by the Aurigny Review and accepted, at least in principle, by the States of Alderney.

520 However, the Alderney-Southampton route was ceased to be considered to strategically vital
or a lifeline route. Aurigny would withdraw its service and there would be a competitively let
tender for a new operator. In this case, if no other candidate operators came forward, neither the
States of Guernsey nor Aurigny would be prepared to step in.

These changes were announced without consultation, without reference to either the
525 November 2015 Scrutiny Report or the March and May 2016 Strategic Reviews. The Alderney
delegation, while reserving their rights to comment further, made a number of immediate
representations. They noted their disappointment in the removal of lifeline designation to the
Alderney-Southampton route and questioned the authority of the Committee for Economic
Development to make this change. They noted their disappointment in the different solutions to
530 the Gatwick-Guernsey and Alderney-Southampton links and the apparent abandoning of solutions
proposed by the Aurigny Review, which had been accepted earlier this year by P&R and STSB.
They noted their disappointment for the lack of recognition of likely difficulties in finding PSO
operators, given the substandard state of the Alderney runway. They noted their disappointment
in numerous inefficiencies which contributed to Aurigny's losses were being ignored.

535 The Alderney delegation also asked for clarification of the Guernsey economic policy towards
Alderney and asked the President of the Committee for Economic Development to reconsider his
announcement in the light of their representations. The President of CfED agreed to ask his
Committee to consider these issues before making a final decision.

Finally, I want to add some views of my own and those other States Members that met with
540 the President of CfED on 25th October. First, that had the recommendations of the November
2015 Scrutiny Committee or the recommendations of the Aurigny Review been expeditiously
acted on it might not have been necessary to have discussed these proposed policy changes on
that day. Secondly, that the rehabilitation of the runway cannot be divorced from the other issues
and thirdly, that many in Alderney and on the Review Panel believe that over half of Aurigny's
545 losses on the Alderney route were due to Aurigny inefficiencies and if Aurigny wish to dispute this
belief the public need to be given proper access to their financial records.

In summary, I find it hugely disappointing that Alderney is being called to pay for
mismanagement in Guernsey and for mismanagement within Aurigny.

Thank you.

550

The President: Thank you, Mr Dent.

Do I have any questions from any Members to Mr Dent about this report? Mr Jean.

Mr Jean: Thank you, sir, Your Excellency, does the Chairman of P&F agree that after years of
555 suffering and deterioration of air services from Aurigny to even suggest that more money is
offered to maintain their operation would be an anathema to Alderney residents and perhaps a

flagrant misuse of public funding? Organisations seeking financial support from the States of Alderney, or any other funding body, are expected to prove financial probity and that they have sound financial management and that the grant is necessary and that it will be well applied.

560 Aurigny's performance over the replacement of the Trislander with Dorniers displays no financial or operational competence, to my mind.

Second question, if I may, sir –

The President: Carry on.

565 **Mr Jean:** Support for Aurigny's UK network, as provided by the States of Guernsey using funds contributed by taxpayers in both Guernsey and Alderney on an equal basis, there is no justification for requiring Alderney to pay additional sums to retain a service as strategically vital to an economy as is the Guernsey-Gatwick route to the mother island.

570 Thank you, sir.

The President: Just one moment, please, Mr Jean. What was the second question, because you made a statement and did not ask a question?

575 **Mr Jean:** No, that is the question. I am pointing out, or giving the Chairman an opportunity to show how vital the Alderney-Southampton route is to Alderney.

The President: So you are asking him how vital is?

580 **Mr Jean:** Yes, correct ... by comparing it to the Gatwick route to the mother island. Thank you.

The President: Thank you very much.

585 Does any other Member have a question for the Chairman of P&F on this Item? Please go ahead.

Mr Roberts: Your Excellency, Mr President, States Members.

Mr Chairman, I believe you had a meeting with Deputy Ferbrache and Gavin St Pier today on our air links and our future levels of subsidy. Can the Chairman please give me anything positive from that meeting today and was strength shown from the Alderney corner on the importance of our Southampton route and the continuing subsidies for Alderney at a sustainable figure, as sympathy just does not pay the bills.

590

And does he also not agree – with permission – with our airport terminal having no wheelchair access, a freezing and unfit for purpose departure lounge, sick patients expected to stand out there in all weathers in the cold in the winter and the latest refused check-in facilities for additional airlines to supplement this Island? Does he not think that an urgent review by P&R to take on more responsibility towards the possibility of upgrading and making a fit for purpose utility, also at the same time taking that part of the air terminal back into Alderney's domain, for more control of the workings of our vital links for this fair Island, who pays its own taxes to Guernsey?

595

600

Thank you, sir.

The President: Thank you very much.

You might just want to clarify, did you mean P&R or P&F?

605 **Mr Roberts:** P&F, I do beg your pardon, sir, a slip of my tongue.

The President: I thought so, sir. That changes the thrust of your question somewhat, thank you very much.

610 Does any other Member have a question for Mr Dent? Please go ahead, Mrs Paris.

Mrs Paris: Thank you, sir.

615 Would the Chairman of P&F agree with me that at our meeting with the Committee for Economic Development last week the whole concept of Aurigny as an economic enabler, which has been foremost in recent reports and discussions, seems to have been completely forgotten about? And could he please clarify, perhaps for the other Members who were not there, exactly what this change in thinking was and the important points that it led to that were raised at the meeting, which we mainly did not like?

620 Thank you.

The President: Thank you, Mrs Paris.

Does any other Member have any questions for the Chairman of P&F on his report? Mr Birmingham.

625 **Mr Birmingham:** Thank you, Your Excellency, Mr President, does the Chairman of P&F agree with my suspicion that this promoted withdrawal of the Southampton route may have more to do with the States of Guernsey not wishing to provide adequate financing for a proper fleet of aircraft to service our route?

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

Does anybody else have any questions for Mr Dent on his report? Mr Dent, you obviously can reply to any of these questions that you wish to. I would remind you that if you do not wish to reply to any of them at this time, you are not obliged to.

635 **Mr Dent:** Your Excellency, Mr President, fellow States Members, I would like to reply to all of them if I may.

To my colleague, Mr Jean, I would say he has made some very important points. His is an opinion that I am sure many Islanders support, and I too would normally make. Thank you, Mr Jean.

640 If I can deal, in slightly reverse order, with Mrs Paris's comments and then Mr Roberts and finally Mr Birmingham's. Mrs Paris, we were, as you are probably aware, but I think colleagues need to know, we were informed that while the concept of an economic enabler was central to all CfED economic development policies the only economic benefit that the States of Guernsey was prepared to accept was a direct contribution to taxation. The impacts on GDP and on gross national income did not count in the Guernsey model of an economic enabler. To their credit, I do believe the Chairman of the Committee for Economic Development and his advisors consider this not to be the normal way to look at things, and I also wonder how other economists might consider it elsewhere.

650 I was also disappointed, because it seemed there were two opposite ways of looking at the lifeline links. Guernsey-Gatwick, because it is a lifeline even though it loses money, needed to be protected and Aurigny given a monopoly. Alderney-Southampton, because it is losing money, even though it is strategically vital, is to be left unsupported.

655 I must continue the Committee for Economic Development freely agreed that Aurigny was an inefficient operator and its operating costs were way above what might be considered normal. But they asked us to note how powerless they were to effect very necessary shareholder control. They also asked us to note how their Committee for Economic Development was unable to make management changes.

Finally, we were able to put across some of our own points. Mrs Paris reminded them that our runway was not to standard and that other operators have already told us they are reluctant to

660 serve Alderney while we are operated under derogation from the Civil Aviation Authority, this
derogation allows an 18m wide width rather than 23m wide, which is the required width in the
UK for this length of runway. These safety concerns, of course, are very important and I think,
indeed I hope, that this will be taken on board, particularly as the President for the Committee for
Economic Development told us that he was unaware of this situation.

665 Finally, we asked two questions, why were they proposing to do away with our lifeline without
even market testing of PSO on the route? Could we not see if there were other operators prepared
to run the service? Yes, for a subsidy, but for a subsidy much less than Aurigny's losses. And we
asked what Guernsey economic policy was towards Alderney. We hoped they were working
towards a strong Bailiwick, Guernsey and Alderney working together.

670 Mrs Paris, Mr President, colleagues, Your Excellency, I believe that we made a strong case, and
Mr Paul Veron, our Economic Development Officer, has since had some useful meetings at an
officer level, and as you know, because you were there, and obviously we had a follow up meeting
this morning.

675 Finally, in response to Mrs Paris's question I believe that Mr Jean's heartfelt and emotional
plea last Wednesday in Guernsey has caused many Guernsey Deputies to think very carefully
about where they stand and to support us in this time of need. I think Mr Jean, last week, he
performed absolutely brilliantly. (**A Member:** Hear, hear.)

680 To Mr Roberts: the meeting today was positive; I really want to say that. They listened, they
were sympathetic to our position and no hasty decisions were made. Michelle Le Clerc and Heidi
Soulsby, Presidents of two important committees in Guernsey were also in attendance and they
were largely supportive. We did show strength and we have been asked to await further
consideration by the authorities and the committees in Guernsey.

685 Mr Roberts made some very important points also concerning our airport terminal. I would be
very keen to see a rehabilitated airport terminal, particularly if we could bring that part of the
airport under our own control. I think that is not a very welcoming sight to Alderney, it needs to
be improved and tiny spats – I know they are not major spats; I hope they are not major spats –
but even these tiny spats between the various people that use the terminal are not in our
interests.

690 To Mr Birmingham: an interesting question and I think I have no answer and even if I
considered it for a while I probably would still have no answer, but thank you for your thoughts.

The President: Thank you very much, Mr Dent.
Monsieur Greffier, I believe that brings the evening's business to a close.

695 **The Greffier:** Yes, sir.

The President: In that case I call upon you to close the meeting.

PRAYERS
The Greffier

The Assembly adjourned at 6.25 p.m.