



OFFICIAL REPORT

OF THE

STATES OF THE

ISLAND OF ALDERNEY

HANSARD

The Court House, Alderney, Wednesday, 10th October 2018

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

Volume 6, No. 4

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

Welcome back to Mr Barnes and Mr Jean.....	3
Convener's Report of the People's Meeting held on 3rd October 2018	3
Billet d'État for Wednesday, 10th October 2018.....	4
I. Budgets for 2019 and Revised Budgets 2018 – Propositions carried unanimously	4
II. The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018 – Item approved unanimously	12
III. Questions and Reports – Two questions for verbal reply: Alderney matters raised in Guernsey States of Deliberation; Update on PSO process	15
Thanks to Mr Barnes for his contribution to Alderney	19
<i>The Assembly adjourned at 6.26 p.m.</i>	19

States of Alderney

*The States met at 5.30 p.m. in the presence of
Lieutenant G T Workman RN (Rtd), a representative of
The Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE PRESIDENT *in the Chair*]

PRAYERS

The Greffier

ROLL CALL

The Greffier

The Greffier: Sir, all Members are present this evening.

The President: Thank you very much indeed.

Welcome back to Mr Barnes and Mr Jean

5 **The President:** Before we go any further, I would just like to welcome back our two Members who have been away due to illness. I would just like to wish you a full and speedy recovery and say how glad we are to have you both back here.

10 **Mr Jean:** Thank you very much.

Mr Barnes: Thank you.

Convener's Report of the People's Meeting held on 3rd October 2018

The President: Mr Snowdon, can you proceed with the Convener's Report, please.

Mr Snowdon: Thank you, President.

15 I was Convener for the People's Meeting, assisted by the Chief Executive and Treasurer, six States' Members there, excluding the Convener. The President was present; the Minutes Secretary; public, 17; and press, four.

Apologies were given for Mr Barnes.

20 **The President:** Thank you very much indeed, Mr Snowdon.

Billet d'État for Wednesday, 10th October 2018

I. Budgets for 2019 and Revised Budgets 2018 – Propositions carried unanimously

Item I

The States of Alderney is asked, after consideration of the Budget Report:

- 1. To accept the States of Alderney Revenue and Capital Budgets for 2019*
- 2. To accept the States of Alderney Water Board Revenue and Capital Budgets for 2019*
- 3. To approve The Occupier's Rate (Level for 2019) Ordinance, 2018*
- 4. To approve The States Water Supply (Rates of Charge) (Alderney) Ordinance, 2018.*

The President: Mr Greffier, would you please proceed to Item I.

The Greffier: Thank you, sir.

25 Item I this evening is the Budgets for 2019 and Revised Budgets for 2018. A letter has been
received from Mr Dent as Chairman of the Policy and Finance Committee and the States of
Alderney are asked, after consideration of the Budget Report, to firstly accept the States of
Alderney Revenue and Capital Budgets for 2019; secondly, accept the States of Alderney Water
Board Revenue and Capital Budgets for 2019; thirdly, to approve The Occupier's Rate (Level for
30 2019) Ordinance, 2018; and finally to approve The States Water Supply (Rates of Charge)
(Alderney) Ordinance, 2018.

The President: Thank you very much, Monsieur Greffier.
Mr Snowdon as Convener.

35

Mr Snowdon: Thank you, President, fellow colleagues.

There were quite a few comments on this one.

The main queries and comments were as follows. The amount of revenue shown in the Budget
from coins and stamps was queried, where the new coin contract promised £150,000 per annum.
40 The projected figure for the 2018 forecast is shown combined as £161,000 per annum. It was
expected that this would be higher.

The Treasurer clarified that the revenue increase under the new contract is significant. As
previously stated, the coin contract was effective from April 2017, therefore a pro-rata year
applied in 2017 totalling £135,000, with revenues expected in 2018 and 2019 at £161,000. This
45 compares to previous contracts where the net income for both coins and stamps amounted to
only £23,000 in 2014, £24,000 in 2015, £29,000 in 2016.

The number of coins sold is not important under the new contracts due to the minimum royalty
secured. In addition, there is also the added benefit of not having to allow the redemption of coins
under the new contract.

50 It was questioned that under the new contract a full report would be produced to States'
Members and the public, showing all issues, different metals and minters, etc. The Treasurer
advised that there have been no changes in the reporting structure compared to previous
contracts. The Finance Committee is mandated to deal with all coin and stamp issues and review
and approve or indeed reject the proposals at the time of approval. This will be shown in various
55 denominations within the issues, maximum mintage, face value, etc.

The coins are advertised on the States' website with links showing where the coins are
available to purchase. The royalty income is included within the management account information

which is provided to all States' Members on a monthly basis. The total revenue collected is produced and published as part of the year-end accounts and the coins in circulation are also published annually, showing the face value of all coins in circulation since the first issue in 1989. All these measures are audited annually by external auditors.

In addition, an annual meeting is held between the Committee and representatives from the Commonwealth Mint. Therefore States' Members are fully aware of the situation throughout the process and the public is issued with the information which is not commercially sensitive. It was agreed that the breakdown between coins and stamps would be issued in due course.

The special £5 coin as gifted to the school children was queried, together with the clarification of the mintage figure and price achieved. The Treasurer advised that this issue had an approved mintage figure of £50,000. This is the maximum issue limit the mint are authorised to produce. However, there is no minimum requirement to standard.

70

The President: Can I just interrupt just for a minute?

It is a mint figure of 50,000 pieces, not £50,000.

Mr Snowdon: Okay, sorry. Sorry, thank you for the correction.

The coins were issued by the Jubilee Mint, the links for which are available on the States' website. The number finally produced would therefore be a marketing decision by the Jubilee Mint and would form part of their client contract with the Commonwealth Mint.

Revenues for coins sold therefore continue to build up on a quarterly basis until such time as it is closed. This is not different from the previous contract.

Moving away from coins, other queries/comments included: Policy and Finance Committee grants and subsidy figures were queried and a breakdown requested. The Treasurer advised that the main subsidies include grants to the Alderney Library, Alderney Museum, Island Hall Association, Alderney Ambulance, ACRE, increasing in 2018 related to legal fees, together with various smaller grants issued by the Finance Committee. Meanwhile the ferry subsidy is included within the Economic Development budget.

The GSC capital spillage was noted and it was queried whether the project could be achieved. The Treasurer advised that the Committee had an extensive programme for 2019 and confirmed that additional resources had been allocated to fund a staff member to assist the TSO and capital administration, etc. in order to progress the programme. Mrs Paris advised that several projects are underway, with a significant amount of preparation work being carried out.

It was queried when the Mouriaux to Platte Saline Project would be commenced, as this had been discussed for over 40 years. Mrs Paris advised that progress is being made, with surveys being completed on the outfall which is an integral part of the project, and this is high on the policy priority list.

The cost of the Ford Ranger vehicle was queried. Mr Dean advised that this four-wheel drive vehicle needed to be robust, as it had to be used for towing, snow conditions and access to off-road locations.

SWT properties: a large increase to proposed funding for 2019 was queried. The Treasurer advised that the sum included a range of projects, including a large project related to the Connaught Care Home extension. Individual projects were not listed to avoid revealing the budget figure prior to tender. Any projects over £100,000 will require full States of Alderney approval at the appropriate time.

100

Thank you.

The President: Mr Snowdon, thank you for your sterling efforts.

105

Mr Dent, I believe you wish to introduce this Item.

Mr Dent: Mr President, colleagues, you will be pleased to know that I do not intend to go through the Budget in detail.

110 The Budget was considered and unanimously approved at the September Policy & Finance
Committee budget meeting and the main points to note are: (1) our annual budgets provide a
framework; they do not bind the States to spend in any particular area and nor do they preclude
the States from choosing to vary the levels and standards of service it provides.

(2) The States of Alderney receive an annual cash allocation from the Revenue Account from
115 the States of Guernsey, which together with its own income it uses to prioritise its spending.

(3) The 2019 cash allocation from Guernsey is set at £1,895,000. This is the 2018 rate with an
increase of pay award.

(4) The capital programme is mainly funded by Alderney Gambling Control Commission
services, together with locally raised revenue from asset sales. The surplus for 2019 is expected
120 to be in the region of £2 million, from which transfers to Alderney e-Gambling Limited and the
Economic Development Reserve Fund will be made. There is no cash allocation received from
Guernsey in respect of capital funding.

The Water Board Revenue Account is expected to raise £700,000 from water rates and charges
which in 2019 will cover its operating costs with a small surplus towards reserves.

125 The Water Board Capital Programme continues successfully, funded by grants from the States
of Alderney amounting to £2.6 million since 2008, with a further grant of £775,000 anticipated for
2019.

The Economic Development Reserve Fund, established in 2014, continues to be funded from
AGCC Reserves at £300,000 per annum. As this does not form part of the revenue account, any
130 unspent balances each year are rolled forward. The fund is used to finance the research and
development of initiatives to improve the economy, some of which will attract inward investment
by way of direct and indirect revenue.

The initiative in 2018 providing a subsidy for The Little Ferry Company have proved extremely
popular by residents and visitors alike. We await the final review of the service which will form
135 the basis for the decision for 2019.

I would like to thank Bruno Kay-Mouat at Alderney Shipping for his initiative and the service
provided.

In conclusion, 2017 and 2018 have been exceptional years. The demands of the Land Use Plan
and negotiations in respect of FABLink put unprecedented pressure on both resources and staff.

140 Looking forward to 2019 and, as reported last year, the pressures on the revenue budget will
continue to be our greatest challenge, as there remains little flexibility for any extraordinary
expenditure.

The States of Alderney must therefore continue to look closer and harder at opportunities to
create direct home-grown revenue streams together with creating efficiencies wherever possible.

145 The challenges in capital spending remain the capacity, resources and capability to deliver what
is budgeted and some additional resources therefore being incorporated to achieve this. Greater
focus has to be placed not so much on the cost, but on the benefits derived from the capital
projects. The States of Alderney is determined to be prudent in their expenditure, obtaining value
for money and competitive transparent tendering are key priorities. However, we will not stint on
150 expenditure that is deemed of economic benefit to the Island.

Workstreams on the initiative relating to the review of the financial relationship still continue
and at an appropriate pace. It is however expected that these will result in no significant change
to the Budget figures for 2019. Any changes that do occur will be in 2020 and beyond.

155 Lastly, we now have the prospect of a review of the 1948 Agreement and where that will lead
us, we do not know. We are pressing for a holistic approach and independent chairmanship.
Others would have it concentrate on transactional financial matters only and indeed, recent
statements from Guernsey suggest that they have already started this process. Defending our
corner will be key to our prosperity and we must not shirk from that responsibility.

160 I would, however, now add here a 'stop press' item. The most recent, third quarter 2018
returns from the AGCC include a distribution to the States of Alderney of £750,000. This is the
third quarter of higher-than-budgeted income, which when compared to 2018 budget estimates

for the nine-month period gives us an additional unbudgeted revenue of £685,000. We would like Guernsey to note this and give it the same publicity they gave us last year when they reported forecast deficits on our revenue account of close to £500,000 – forecasts that in the end turned out to be way off the mark, when the final outturn was a deficit of less than £100,000.

Having said all this, all that remains for me to do is to thank Kerry and her team in the Treasury for their hard work. I would like to think that 2019 will be easier; I suspect it will not.

Thank you.

The President: Thank you. Mr Barnes, I believe you wish to second this?

Mr Barnes: Yes, Mr President.

I would like to second this, but can I reserve the right to speak later?

The President: You may. (**Mr Barnes:** Thank you.)

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

Mr Snowdon: Thank you, President, fellow colleagues.

I would just like to say my thanks to Kerry and all the team at Treasury for all of their hard work.

Thank you.

The President: Thank you very much.

Mr Dean, I believe you wish to speak?

Mr Dean: I do not have anything further to add regarding the Budget, as Mr Dent has covered all the necessary points.

However I would like to publicly thank the Treasurer and her team for all the hard work in putting the Budgets together and the sterling work that they do throughout the year.

The President: Thank you.

Mr McKinley.

Mr McKinley: Very briefly, Mr President, fellow States' Members.

I hope sincerely that over the next 12 months we might be able to find a solution to the problems regarding the swimming pool. I think that it is very important that we should have some place, particularly over the winter months, for our children to exercise and learn to swim, and we will need permission probably from Guernsey to spend that money. We may even need help from Guernsey for that money, because it is over the amount that we are allowed to authorise ourselves.

We will also need to continue to encourage business to come to our Island – as Mr Dent said, the home-grown remedy – in particular data businesses and I think the improvements in the Internet speeds, which are on and off at the moment but are generally getting better, will help that. I sincerely hope so.

I am slightly worried that having read the Guernsey budget report, which we will be debating down in Guernsey on 6th November, that some of the help that they have been giving us over past years is possibly not going to continue, but we will be debating that. I will not go into the full detail of it, but I think therefore we should be looking more strongly and recently after the recent developments over the last two weeks or so, at how we can develop tidal energy on this Island for the benefit of all, not just for the few.

So those really are my points and I would also like to add, as Mr Snowdon and Mr Dean have said, and others, thanking the head of the Treasury department, Kerry and the four ladies who work with her. They do a tremendous job, not just in the accounting, but particularly with regard to Mr Jean and myself, our travel back and forth to Guernsey every three weeks or so, with air

215 flights and hotels, sometimes taxis, which have to change. They do an awful lot of work to help us, and to help all of us. Thank you very much, all of you.

The President: Thank you, Mr McKinley.

Does any other Member wish to speak on the Budget for 2019?

220 Mr Jean. We are speaking about the Budget for 2019.

Mr Jean: I too would like to thank the staff for the work they do and reiterate Mr McKinley's points regarding air travel. They are very good and very obliging to us.

225 I am concerned about several things. One of them is the fact that I would like in this Budget to have seen something included for the swimming pool, to take up your point – an allocation for that. I am wondering, and I am actually going to ask a question: will we putting in a sum later? Will we be putting forward a sum for that later? We really cannot leave it to go into 2020. That is one of the points I would like to make.

230 I would like to talk about the sea transport, which has been quite a difficult issue for Alderney's Government, and I would like to say how encouraged I am stand by the fact that it showed good connectivity and brought a lot of people to Alderney who definitely would not have been coming.

235 What I want to say about that is that we need to grasp this opportunity and make it more, to actually build on it and turn it into a more substantial ferry. It needs to be a larger number – between 50 and 60 perhaps would do the job and it is indeed bringing people who are not going to come here any other way but by ferry.

The President: Mr Jean, as interesting as these points are, we are discussing the Budget for next year.

240 **Mr Jean:** Thank you. Yes, this is mentioned in the Budget –

The President: Okay, excellent. Thank you.

Mr Jean: That is why I am actually discussing it.

245 I am very pleased with what has happened regarding digital connectivity. It is a very good thing for Alderney, but I am also concerned about the airport and air transport and the PSO; and because that is mentioned in here I am going to take the opportunity to ask a couple of questions. One of them is: when will the Members be receiving a copy of the PSO? And when will we be able to contribute towards the PSO? Which I think is necessary.

250 And the second question I would like to ask is about the timeframe for the PSO. I am very concerned that six to eight weeks is really rushing it a bit, when one considers that we have been waiting for this to come for two or three years, the PSO. Is this being rushed? Is this to Alderney's advantage and should we have less haste and giving people more time, if – and I stress the word, *if* – interest is being shown in the tendering process for the PSO.

255 Those are the questions I would like to ask. Again I would like to congratulate the staff; and I would also like to say that the money from the gambling, the extra money – the £680,000 – I actually think that that should be channelled towards buying a proper ferry for Alderney.

Thank you.

The President: Thank you, Mr Jean.

Does any other Member wish to speak on Item I, the Budget?

260 Mr Tugby.

Mr Tugby: Sir, I agree with most of the Budget. There are a few items which I do not agree with, but I did raise these points in the Policy and Finance meeting, but I had very little support.

265 Some States' Members seem to have a different mind-set about the way things are handled than I do. But no doubt next year the new States will force it all out.

I would like to thank the staff for their hard work and everything that they have done. Listening to what Mr McKinley said, as regards Guernsey helping us out, we should be banging the drum much harder on how our gambling money benefits Guernsey to such a great extent in their income for Guernsey, how they benefit from the Alderney gambling situation. We should be really banging the drum in that quarter about that.

270

Thank you, sir.

The President: Thank you, Mr Tugby.

Does any other Member wish to speak on Item I, the Budget for 2019?

275 Please go ahead, Mr Birmingham.

Mr Birmingham: Thank you, Mr President, fellow Members.

I would like to also add my thanks to the Treasury team for their hard work throughout the year.

280 But this year, I find myself in a slightly unusual position. For the last four years, I have raised my concerns about the long-term sustainability of the Water Board's finances and highlighted the need for significant increases to the water rates to address the shortfall in water board income. So I am delighted to see that my concerns have finally been met with an above-inflation rise for 2019 that starts to address that issue.

285 But a single year's rise is not enough and it is vital that these above-inflation increases are an established States' policy until that funding shortfall is fully addressed. The reality is that we need the Water Board to accrue larger surpluses and then reinvest those surpluses back into the system as capital works. Using the gambling receipts for this purpose is nothing short of subsidising the water rates at the expense of the ability to process other projects.

290 The States needs to identify a figure for profitability for the Water Board that is sustainable and then increase rates to achieve it. I would suggest that figure should be a surplus of at least £100,000 a year. The projected surplus for next year is £25,000, so a further £75,000 would be required to reach my proposed figure, which is only a further 10% of turnover.

295 Since 2008, a 10-year period, over £2.6 million has been spent upgrading our water infrastructure – all of it from gambling money; none of it from operational profit – and a further £775,000 of capital spend in terms of grant money is proposed for next year, showing that while much has been done, there is still much to do.

300 Every time we use gambling money in this way of grants to fix these problems, instead of surpluses generated by Water Board income, then that is money that is taken away from other projects. We have heard some mentioned. It certainly could have helped pay for a swimming pool; it might have been a good start towards a terminal re-build at the airport; or a subsidy for transport, for additional transport capacity.

305 Now some will already be aware that it is not my intention to stand for re-election to the States this November and therefore I will not be in the Chamber next year to nag the Finance Committee about this issue. So I urge the new States to address this and make a clear commitment to a target for Water Board surplus in order that we can properly address this unsustainable funding shortfall for the future benefit of the entire Island.

The President: Thank you, Mr Birmingham.

310 Does any other ... ? Mrs Paris.

Mrs Paris: Thank you, sir.

Mr President, fellow States' Members, firstly I would like to congratulate the States' Treasurer and her team for all the hard work that they have put in, putting the Budget together for next
315 year. They are unsung heroes, I think – or perhaps I actually ought to say, heroines!

I am very pleased to see such an ambitious capital project included in the Budget, although I did take Mr Birmingham's constant points about how we fund the Water Board. But this is an ambitious capital project for next year – the whole programme is, and of course the inclusion of such a major project as the Connaught Care Home extension has greatly increased the size of the
320 capital spend. It will certainly keep the next Chair of General Services on their toes, sorting all of this lot out, I think, and it has been a constant frustration that the money is available, as we see, and is increasing from the gambling at the moment, and we just have not had enough in-house resources to bring our much needed infrastructure projects to completion within the timescale outlined in the last few Budgets.

I think this Budget shows some recognition of that and hopefully will start to remedy it. I do very much hope that, as ambitious as it is, the next General Services Committee do manage to achieve all of that capital spend.

Thank you, sir.

330 **The President:** Thank you, Mrs Paris.

Mr Roberts, do you wish to speak on the Budget?

Mr Roberts: Yes, I would just like a short couple of words please, Mr President.

One thing that I am concerned about: we need protection of our gambling resources to serve
335 our future. Without that it is going to be very difficult. There are certain eyes on our gambling money.

A larger ferry will need funding. This year it has been proved beyond all doubt that a ferry does work and we will need a larger ferry next year. I am very pleased with what has happened so far. It is a proven service and I think we need to look at a larger boat, at least.

340 And lastly, as the rest of us have said, thank you very much, Kerry, and all your team.

The President: Thank you very much.

Mr Barnes.

345 **Mr Barnes:** As they say, 'follow that'!

Colleagues, I am delighted to second – this is actually the second Budget I have been involved with. I congratulate Kerry and her team on the schedule that she has kept up to.

This year has been difficult with flight delays and everything else that has come to it. Having been more involved than previously, I have found a much greater understanding of the whole
350 process. Quite honestly, everybody, it is massive, even for a little community like ours.

There is one little side comment I would just like to bring up here. We are going to have yet another governance review. My thought process is: we should look at Alderney in a totally different light. We should look at the Island first and the engine room afterwards.

I will leave you with a thought that some 15 years ago, the running of Alderney was discussed
355 as a limited company type, with the elected Members acting as the board, and the Civil Service getting on with the job.

However, back to the Budget: it is a very neutral budget. That is for one good reason. With the advent of the repatriation of TRP in 2020 we should have control over our property and associated revenue. The Committee felt that it was time for adjustment, to give where it is needed but
360 compensate where it can be afforded. However, that will be the focus for the next year's budget debate.

Meanwhile the revenue account is boosted by the improved income from coins and stamps – an extra £100,000 between 2016 and 2017. I have to take my hat off to the previous States for putting that contract into place. It is very beneficial and we look forward to its future.

365 The capital budget, as we said, is concentrated on best practice of ensuring a rolling programme of replacement equipment in order to achieve some part-exchange and second-hand value of replacements. I think the General Services Committee under Mrs Paris have to be congratulated on this.

370 As Mr Birmingham has mentioned – and he has been hammering on for as long as I can remember, and that is before I joined this Committee – we have made a small increment on the water rates, to start. Mr Birmingham, it is a start but with the changes coming forward, we felt that is where we go and we look forward to the future. I hope the new Committee will continue that process.

375 Mr McKinley mentioned the swimming pool. Since I have been on the States, it has been in my remit. I am very embarrassed in the sense that we have not come to a conclusion. However we cannot put it into the Budget, because we have no idea of how and when, how much and what the revenue expenditure will be. But it is noted, I believe, in the notes.

I'm not going to like this bit.

380 Finally it is with deep regret that in this meeting I will be handing to the Greffier a letter addressed to the President tending my immediate resignation from the States on health grounds.

Thank you.

The President: Thank you, Mr Barnes.

Mr Dent, do you want to exercise your right of reply?

385

Mr Dent: Yes, Mr President, I would.

Mr Barnes, I thank you for your contribution to the Finance Committee over the last year and a half. (**Mr Barnes:** Thank you.)

390 I would like to just return to one or two points that were made. If I can start with Mr Birmingham, who has my full support in all that he said. Indeed, it is my firm opinion, I believe it is the Finance Committee's opinion, that one year's operating costs is a reasonable back-up sum to have in reserves, and that is what I would like to aim for in the future. I think some organisations maybe have even more than that, sometimes – that is a bit much. But there is a great range, it seems, in the amount of reserves that different organisations hold. But one year's operating costs would seem to be a reasonable target, and it would be good to have a consistent policy for all these different organisations.

395 To Mr Tugby, I would say, banging on the drum about the gambling money – absolutely dead right, and there are more things than just the gambling money to be banging on the drum about. There is a whole range of stuff and I am not of the view that everyone in Guernsey is our friend. We do have some friends, but we do need to make our position very clear.

To Mr Jean, who talked about the PSO: I am being asked a question later on and I will come to some of the points that you have raised when I answer Mr Roberts' question.

400 Mr Roberts: again, I would say we will be looking at sea transport options when we have an analysis of the data from The Little Ferry Company and that I think will be happening at the end of this month. Hopefully there will be some imminent discussions on all these matters.

That I think answers your questions, Mr Jean, as well. (**Mr Jean:** Thank you.)

405 On the swimming pool, I think this has been dealt with by Mr Barnes. The reasons it is not in the Budget is we have no idea what it might cost, and indeed we had not had the report to a satisfactory outcome. When we do, then maybe there will be call to put an item in the Budget, but this is something that we have to talk to Guernsey about. It is not something we can do willy-nilly on our own.

So those are my comments, thank you.

The President: Thank you very much, Mr Dent.

415 Monsieur Greffier, I would like you to call the vote on this. I would like you to take items 1 to 4 as one vote. In the event that that should fail, we will take them individually.

The Greffier: Thank you, sir.

420 In that case, the States of Alderney are asked, after consideration of the Budget Report: to accept the States of Alderney Revenue and Capital Budgets for 2019; to accept the States of Alderney Water Board Revenue and Capital Budgets for 2019; to approve The Occupier's Rate (Level for 2019) Ordinance, 2018; and to approve The States Water Supply (Rates of Charge) (Alderney) Ordinance, 2018.

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		

425 **The Greffier:** Sir, it is a unanimous vote in favour.

The President: Thank you very much indeed.

II. The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018 – Item approved unanimously

Item II

The States is asked:

To approve 'The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018' and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

The President: We will now move to Item II, please.

The Greffier: Thank you.

430 Item II this evening is The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018. A letter has been received from yourself, sir, as President of the States of Alderney, and the States are asked to approve 'The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018' and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

435

The President: Thank you very much.

Mr Snowdon, as Convener, were there any comments on this, please?

Mr Snowdon: Thank you, President.

440 No, there were no comments on this Item. Thank you.

The President: Thank you very much, Mr Snowdon.
Mr McKinley, I believe you wish to propose this?

Mr McKinley: Yes, please, Mr President, fellow Members.

445 There were no comments on this because probably people do not really understand exactly what it is all about, and I have to say, it has taken me some time to understand what it is all about, and I am an ex-member of the Armed Forces.

450 But basically, to summarise the 29 pages of the Projet de Loi, the Law implements provisions of the Armed Forces Act 2006 in the Bailiwick. The 2006 Act came into force in the UK in October 2009, and repealed and replaced the Service Discipline Acts – the Army Act 1955, the Air Force Act 1955 and the Naval Discipline Act 1957. The Service Discipline Acts used to extend, unusually, directly to the Bailiwick; from the 1990s, this application was modified by Orders in Council.

455 Part 1 is concerned with the jurisdiction of service courts and services authorities in Guernsey and the Bailiwick over service people – not just serving service people; retired people – and civilians subject to service discipline. In respect of the exercise by service police of powers in the Bailiwick, it provides for the Chief Officer of Police to enter into operational protocols with service police forces.

460 Section 3 makes provision in relation to service police entering and searching premises in the Bailiwick, and requires a warrant to be issued by a judge advocate, application to execute the warrant to be granted by a local judge, and the Chief Officer of Police to be consulted about, and satisfied in respect of, that execution.

465 The remaining sections of Part 1 make provision in relation to the barring of civilian proceedings by service proceedings relating to the same matter, choice of jurisdiction, and an amendment to the Police Powers and Criminal Evidence (Bailiwick of Guernsey) Law, 2003 in respect of detention.

Part 2 makes provision in relation to the offences of desertion, absence without leave, and malingering.

470 Part 3 contains miscellaneous provisions, including provision relating to the detention of a person in service custody in prison and an offence of knowingly giving a false answer during a procedure for enlistment into HM Forces.

Part 4 contains final provisions such as the interpretation section, including the power to make consequential amendments.

475 So in summary if I, as a retired British serviceman, resident in the Bailiwick was considered to be guilty of an offence contrary to the Armed Forces Act 2006, the local police here could question me and take me into custody. They could do the same for a serving member of the Armed Forces – serviceman or servicewoman – either regularly living here or being here on holiday. Basically, it is saying that if they contravene an Armed Forces Act, the local police can deal with it either for or on behalf of or with the military police.

480 That is it, sir. Thank you very much.

The President: Thank you very much for that explanation, Mr McKinley.
Mr Tugby, I believe you wish to second this.

485 **Mr Tugby:** Yes, sir. I will second it and I think Mr McKinley summed it up quite adequately.

The President: Thank you very much indeed.
Does any other Member wish to speak on Item II?
Mr Dent.

490 **Mr Dent:** I would like to thank Mr McKinley for his research. My own research was in no way so extensive.

I understand it and as I think Mr McKinley said, this Law permits service courts and service authorities to exercise over a person all the powers that are exercisable by them in the UK, under the UK's Armed Forces Act and the UK's Reserve Forces Act. As Mr McKinley alluded, these UK Acts date from 2006 and 1996 respectively. So my question really is: why the rush now to bring us into line?

I also discovered that the Law was enacted in Guernsey, I believe in February this year, and without prior consultation with Alderney. So I would again ask why. This does not seem the normal way of doing things.

I shall be supporting the legislation, but I do have one or two queries, as I say, about the process by which it is in Law for Alderney.

Thank you.

The President: Thank you very much, Mr Dent.

Does any other Member wish to speak on Item II?

Mr Jean. (**Mr Jean:** No, thank you.) Okay, nobody else? (*Interjection*)

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

Mr McKinley: If I may, sir, I cannot really answer Mr Dent's questions, because I do not know why it has taken such a long time – 2006 to 2018 to get here.

Also I do recall debating the Armed Forces Covenant, which was something slightly different down in Guernsey, and I think we ought to have debated this, but it went through very quickly and we did not really know what it was all about. It is only when it came here that we had to learn a little bit more about it. But I think we have basically summed it up.

It has taken time to get into effect, but hopefully we will now join Guernsey and be part of the Bailiwick in agreeing to this.

Thank you, sir.

The President: Thank you very much, Mr McKinley.

Monsieur Greffier, would you please put Item II to the vote.

The Greffier: Thank you.

The States are asked to approve 'The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018' and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

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 matter passes unanimously.

The President: Thank you very much indeed.

**III. Questions and Reports –
Two questions for verbal reply:
Alderney matters raised in Guernsey States of Deliberation; Update on PSO process**

Item III.

The following questions had been received:

1. Question from Mr Dent for the two Alderney Representatives, Mr Roberts and Mr Dean:

‘Can you briefly summarise matters of importance to Alderney that were brought up during the latest States of Guernsey meeting and any subsequent dealings with Guernsey politicians or officers?’

2. Question from Mr Roberts for the Chairman of Policy and Finance Committee:

‘Can the Chairman of Policy and Finance Committee provide any updates on the PSO process?’

The President: We now move to Item III, please.

530

The Greffier: Thank you, sir.

Item III this evening is Questions and Reports. I understand you have received two questions for verbal reply.

535

The President: I have indeed.

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

Mr Snowdon: No, because there were no questions when we had the People’s Meeting, I don’t think.

540

Thank you.

The President: Okay. But the short answer is no, there were no comments. **(Mr Snowdon: Yes.)** Thank you very much.

545

The first question is from Mr Dent to Messrs Roberts and Dean. Could I ask Mr Roberts to answer in the first instance and if you wish to add anything to it later, please do.

Mr Dent, please proceed and ask your question.

Mr Dent: Mr President, thank you.

550

Can you briefly summarise matters of importance to Alderney that were brought up during the latest States of Guernsey meeting and any subsequent dealings with Guernsey politicians or officers?

Thank you.

Mr Roberts: Certainly, I would be delighted to, Mr Dent.

555

On the face of it, the Guernsey Billet showed very little in regard to Alderney – which was a learning curve.

560

I attended the Guernsey States’ Meeting on 26th September and the first minister gave a report that brought up the 1948 Agreement, stating that Alderney would oversee it without adjudication; but Alderney could put their view at the ALG meeting. We were not expecting this to come out of the hat. I felt strongly about this and I was scribbling a speech, but the Bailiff moved quickly on to the next debate so I never got time – and Mr Dean never got time – to answer for Alderney Government.

Also at the Guernsey States' Meeting of 26th September, minor changes to social security were being legislated. I felt this was an opportunity to speak up for Alderney on our different financial
565 reliances. I said these were only minor changes and I felt it was an opportune moment to draw the CfESS's attention to our growing numbers of elder dependent persons on both our Islands. I voiced that Alderney needs to attract young persons with families. We had nothing against retirees. They pay a lot of tax and contribute greatly to the community. It was just that we needed people who will actively participate in growing our economy.

570 I went on to say that Guernsey probably felt the same way, but our two Islands, although facing the same problem, they are facing them at different levels and the problem on Alderney is much more acute.

I asked them to promote policies to attract such incomers, particularly to Alderney, and I said we had lost so many young families, with more considering such a move. I was hopeful for the
575 future, but the Committee could perhaps do their bit to help Alderney.

I concluded – and this is what I said: 'So you see, colleagues, recognising that Alderney's problems are not quite all about our depleted air transport problems, there are many issues we must work toward together and as partners with the same goals.'

580 I finished my speech and I sat down. Deputy Trott stood up immediately. 'Mr Roberts is wrong', he said. 'The retirees in Alderney contribute little or nothing to the economy,' he said and he sat down, looking very annoyed at me.

I did not take up this argument with Mr Trott, as he is entitled to his opinion, and I believe that the best way forward is not to get involved with a public disagreement, but to nurture
585 relationships. I did afford him a small smile.

As Mr Jean has said on many occasions, we have many more friends in Guernsey who have great sympathy for Alderney than enemies. Committees change in Guernsey, as in Alderney, so policy can change. We can all but hope.

So that debate finished.

590 Apart from at the end, there was a rather confusing vote on meeting dates at the end, but that was all. We were the first to vote on this subject, out of some 38 deputies – I think it only happens every couple of years that Alderney is expected to vote first. It was so confused, there were some deputies going for certain dates – some months they would have three; some months they would have four. I thought four was best, it suited Alderney States Members much better. I voted the other way. I thought that we were voting for four; but it was three.

595 I have had many messages from the Guernsey deputies supporting me on this, since the meeting. They have come forward and they have said, 'Yes, it was very confusing. We were confused ourselves,' and apart from this, I believe that a requête may be raised in the States to reverse this, to have 12 meetings per year in Guernsey, which will tie in much better with Alderney, and I hope this is the case with Mr Jean and Mr McKinley taking this forward.

600 Thank you.

The President: Thank you, Mr Roberts.

Mr Dean, do you wish to add anything to the question that was posed by Mr Dent?

605 **Mr Dean:** There is nothing further for me to add. Mr Roberts has covered all the points.

The President: Thank you very, Mr Dean.

Does any Member have a supplementary question for either Mr Roberts or Mr Dean as a result of the response which they have given?

610 Mr McKinley.

Mr McKinley: Mr President, fellow Members, could I just ask one thing; could I just make one thing clear, following on from what Mr Roberts was saying – ?

615 **The President:** This should be a supplementary question as a result of –

Mr McKinley: Okay, well, I will not. I was just going to say the way ahead that has been determined, but I will not say it.

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

Let's be clear: does any other Member have a question for Mr Roberts or Mr Dean as a result of the response they have given to Mr Dent's question?

Yes, go ahead, please, Mr Jean.

625 **Mr Jean:** Would the Chairman agree with me that thanks should be extended to Mr Dean and to Mr Roberts for covering in our absence? I for one am extremely grateful.

A Member: Hear, hear.

630 **The President:** Can we just stop a minute, please.

Supplementary questions should be put to either Mr Roberts or Mr Dean as a result of the response that they gave to Mr Dent's question.

Mr Jean: I am sorry, sir, but I put it to the man who asked the question, because I want to know
635 from him whether our thanks could be extended.

Thank you.

The President: I am sure our thanks could be extended –

640 **Mr Jean:** Thank you very much, that is fine.

The President: That is not how it works but we can extend thanks on this occasion. (**Mr Jean:** Thank you.)

645 Right, thank you very much. We now move to the second question, which is from Mr Roberts to Mr Dent. Mr Roberts would you care to rise and put your question.

Mr Roberts: Certainly, Mr President.

Can the Chairman of Policy and Finance Committee provide any updates on the PSO process?

650 **The President:** Mr Dent.

Mr Dent: Mr President and Mr Roberts, thank you.

We have been working closely with the Committee *for* Economic Development and I am pleased to report that we have had significant impact on the draft.

655 Guernsey's Committee *for* Economic Development has agreed to accommodate the majority of our suggestions within the tender documentation. This is good news and I want to thank the Committee *for* Economic Development.

660 However, there do remain two key issues. The first concerns how Alderney would be protected in the event that the concessioner pull out unexpectedly. The second concerns how the tender process will objectively deal with tenders offering what may turn out to be fundamentally different solutions.

During the last few days, we have been seeking to resolve these matters with Guernsey's procurement officers, and I remain confident that a solution will be found.

665 Having said all this, the Committee for Economic Development has made it clear that their own work is now largely complete. They believe there is now urgency to issuing the invitation to the tender. I am in fact told that these documents were released to the market today.

The Committee *for* Economic Development wish that any periods of uncertainty are not unduly prolonged, and I understand the reasons for this.

670 I understand also that the PSO process will now be referred to the Guernsey States of Deliberation for approval at either their January or February Meetings. I understand that the Committee *for* Economic Development remains committed to a later contract commencement date before the end of 2019.

675 With the clear differences emerging in the approaches being adopted by Guernsey's P&R Committee and their Committee for Economic Development, much may rest on decisions made in the Guernsey States of Deliberation. There *could* be much work here for our Alderney Representatives.

680 Finally, let me say this: while I understand Guernsey's concern not to let the timescale slip, I would have much preferred to wait a little before issuing the invitations to tender. More certainty over the issues that I have just touched on and an opportunity for our own P&F to consider the matter would have been very useful.

We all need to remain fundamentally engaged in order to ensure that the best possible outcome comes for Alderney.

Thank you.

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

Does anybody have a question to Mr Dent as a result of the response he has just given?

Mr Jean? (**Mr Jean:** No.) Mr Barnes.

690 **Mr Barnes:** I just have one question for the Chairman. Can you throw any light on the fact that the Guernsey States have budgeted a £4.4 million loss next year for Aurigny, when we have a PSO possibly in place? Is it a case of they are going to lose the PSO? Who says they are going to get the PSO or is it possible that you can ask our reps to try and get this information?

It seems farcical that they are already putting a loss in when there is going to be a PSO in place.

695 **The President:** Mr Dent, do you wish to respond to that question? (**Mr Dent:** Yes, I do.) Please go ahead.

700 **Mr Dent:** Without prejudging the minds of those in Guernsey, I would say that the PSO is not likely to start until late in 2019 – maybe mid-year or earlier, I don't know, but by the end of the year. It is certainly not going to be a full year.

How they come to their figures on losses is a mystery, as we all know. We do not see into their minds, but I am interested to see that they are reporting forecasts, rather than actual figures.

Thank you.

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

Does anybody else have a question for Mr Dent as a result of the responses he has given? (**Mr McKinley:** Yes, please, sir.) Please go ahead, Mr McKinley.

710 **Mr McKinley:** I believe one of the other questions that came up during the discussions over the last week or so has been the business of a lifeline link between Alderney and Southampton and the possibility that Guernsey will not be prepared to support that link, if it is not determined as a lifeline link, to save themselves either £3.4 million or £4.2 million or whatever the projected loss is over the Guernsey and Alderney to Southampton routes.

715 **Mr Dent:** Is there a question?

Mr McKinley: The question is really the lifeline route and where we stand on that.

The President: Thank you, Mr McKinley.

720 Mr Dent, do you wish to answer that question? (**Mr Dent:** Yes, please.) Please go ahead.

Mr Dent: Thank you.

I will answer it as much as I can.

725 As you know, the States of Guernsey declined to declare it as a lifeline route some time ago, but we declared it ourselves a lifeline route, so we have made the move.

I saw the text of the Guernsey budget yesterday, which is probably the same time as you saw it. I notice the wording is probably fairly careful in the Guernsey budget. I also notice that they are slashing an awful lot of spending in Guernsey, so it is very much going to be a controversial Budget in many respects.

730 In regard to their words on supporting the Southampton route, they simply said that they will not be paying for it out of general revenue, but there are many other sources, I understand, within Guernsey for paying money of this sort.

I think we are going to have to debate very thoroughly in Guernsey and make a forceful case not just on this but on a number of issues in the near future.

735 Thank you.

The President: Thank you, very much, Mr Dent.

Does any other Member have a question for Mr Dent as a result of the replies he has given to Mr Roberts' question? No.

740 In that case, Monsieur Greffier, that concludes the evening's business.

Thanks to Mr Barnes for his contribution to Alderney

The President: But before we close, I would like to give very sincere thanks from myself to Mr Barnes, and also on behalf of the States of Alderney and the people of Alderney, for the very real contribution he has made to the working of the States during his period as a Member.

Thank you very much, Mr Barnes.

745

Mr Barnes: Thank you, Mr President.

The President: Proceed to close, please, Monsieur Greffier.

PRAYERS

The Greffier

The Assembly adjourned at 6.26 p.m.