



OFFICIAL REPORT

OF THE

STATES OF THE

ISLAND OF ALDERNEY

HANSARD

The Court House, Alderney, Wednesday, 18th November 2015

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

Volume 3, No. 8

Present:

Mr Stuart Trought, President

Members

Mr Matthew Birmingham

Mr Louis Jean

Mr Neil Harvey

Mr Francis Simonet

Mr Robert McDowall

Mr Christopher Rowley

Mr Steve Roberts

Mrs Norma Paris

Mr Graham McKinley

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
Colonel Colin Mason, a representative of the Lieutenant-Governor and
Commander-in-Chief of the Bailiwick of Guernsey*

[THE PRESIDENT *in the Chair*]

PRAYERS

The Greffier

Apologies for absence

The President: Apologies received, obviously, from Mr Tugby.

The Greffier: Thank you, Mr President.

5 I will continue with the rest of the roll call, if you are ready.

ROLL CALL

The Greffier

Confirmation of quorum

The President: Could you confirm that we are quorate, please, Monsieur Greffier?

The Greffier: Yes sir, with nine Members present, we are quorate this evening.

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

Convener's Report of the People's Meeting held on 11th November 2015

The President: Mr Simonet, as Convener, could you read the opening statement from the People's Meeting, please.

Mr Simonet: Yes, sir.

15 There were 20 members of the public present; three press and five States Members,
including the Convener.

Item I ... What Item is it?

The President: No. We will come to that in a minute. Thank you, very much.

Rule 21(1)(c) suspended

20 **The President:** Mr Jean, I believe you wish to move under Rule 24.

Mr Jean: I would be happy to do so, sir. It is my wish that I do, sir. Would you like me to give a few words in explanation?

25 **The President:** Yes, I would like you to explain why you wish to move under Rule 24, please.

Mr Jean: Thank you, sir.

Sir, the reason I wish to do this – to render Rule 24 to suspend Rule 21(1)(c) – is because the shareholders involved in AEL receive no material benefit or any monies received under dividend. The only privilege that the actual shareholding grants us is that we may attend the AGM once a year and even that is debatable if you are busy on business in Guernsey and they are having the meeting on that day, as I was this year. So, therefore, they really are absolutely no benefits whatsoever.

30 The Rules of Procedure in Guernsey are not the same so therefore it can be done and they allow for declaration and the ability to speak and vote.

The President: With all due respect, what happens in Guernsey has no bearing on what happens here.

40 **Mr Jean:** No, I realise that, but nevertheless it is an interesting conflict between the Rules in both Islands.

It is about allowing those minority shareholders in AEL being allowed to use their own conscience and discretion as regard to whether they speak or vote and I will not describe that as unusual.

45 So, sir, if I may, could I look for a seconder; or would you prefer me, first of all, for the benefit of the public, just to read out the two Rules?

The President: No, I will see to that in a minute.

50 **Mr Jean:** Okay. Thank you.

Mr President: Thank you.

Do we have a seconder for Mr Jean's movement to suspend? We do.

55 **Mr McKinley:** I am happy to second it, yes.

The President: Mr McKinley.

Just so the public fully understand what is going on here, under Rule 24:

'Any one or more of these Standing Orders may be suspended for a stated purpose upon a proposition moved either after notice or without notice with the leave of the President.'

60 Mr Jean has so moved. He has a seconder. So, the States will now debate whether or not Rule 21(1)(c) is put into abeyance for the purpose of Item I on the Billet.

Mr Jean, do you wish to say any more about why you want this suspended?

65 **Mr Jean:** I would say, as I just speak on the Item itself, the Rule is appropriate in cases where a Member has a personal interest that involves benefit or material loss from the proposition to be debated and voted on. Neither is the case here, as I will explain. The vast majority of AEL

shares are owned by the States of Alderney: 83% I believe, with another sizable block of 17% being owned by the States of Guernsey. There are around 40 minority shareholders who do not hold sufficient shares to influence the board, even if they were to pool all their interests for a vote.

70 Three Members of the States alongside myself would be affected if you decide not to pass this. All own or control a small number of shares. Mr Birmingham does so by virtue of being a States of Alderney nominee on the AEL board. As such, my understanding of it is that his first loyalty has to be to that board.

75 **The President:** Sir, point of order.

Mr Birmingham, under Rule 21(1)(b) would be allowed to speak and vote according to his conscience, as he is holding those shares as a nominee director for the States of Alderney.

Mr Jean: Thank you, sir.

80 Members and the public may think that owning shares mean that we receive a dividend each year. I have received no dividend and I have no expectation of receiving any in the future. I have no more to gain from the decision to be taken today than has any member of the public.

85 Having taken a keen interest in the affairs of AEL for many years and having contributed to debates on issues relating to the company, both in this Assembly and at the AEL general meetings, I have gained quite an insight into the workings of the company, which does qualify me to make a contribution to the debate on the issue before the Assembly today.

Members may not agree with the points I wish to be allowed to make, but I do feel that they and the public should be able to hear my views.

Thank you, sir.

90

The President: Thank you.

Does anyone else wish to speak on this?

Mr Harvey: Thank you, sir.

95 I think Rule 21 is there for a very good reason and it is there to protect the States Members. It is there to protect the States Members from any allegations that they are taking decisions in the States which may involve public money and which benefit them. So, it really is an important Rule and it is one which I have, on occasion, tried to enforce in Policy & Finance Committee, not always to universal acclaim. But it is there and it is there for a good reason and I think it is, frankly, stronger than the Guernsey legislation.

100

I am not totally convinced by Mr Jean's arguments. The argument that he derives no benefit, I cannot possibly argue with him on that, but that is not the really the point. The point is he could benefit from it. Decisions could be taken in the future regarding AEL which do provide him with a dividend or a capital value growth, and the law clearly cannot distinguish motives here. It is fairly black and white.

105

Having said all of that, I think there is another issue at play here, which is possibly a local community issue and particularly an Alderney issue, which is that when somebody is not allowed to have their say there is an immediate assumption of some sort of conspiracy or some sort of information which is being withheld from the public. Frankly, given the tiny amounts of the shareholder interests involved here, I would be prepared to support this, if only so that we can clear the air on exactly what the issues are with AEL.

110

So, I will support the resolution. Thank you.

The President: Mr Harvey.

115

Mr Rowley.

Mr Rowley: Yes, sir. Thank you, sir.

120 Yes, I think I agree with Mr Harvey. I have had trouble trying to make my mind up on this. The Rule is there for a very good reason and I would be happier if Mr Jean had taken the advice that a number of people gave him, which was that with ample notice he just sold the handful of shares he had and then he would have been able to speak to his heart's content without us having to go through all this.

125 On the other hand, I am keen to hear what he has got to say and it is of public interest and, having heard him speak just now, I think I will support it. I was going to vote against it, actually, but I think I will support it.

The President: Mr Rowley.

Mrs Paris: Thank you, sir.

130 In this particularly instance and only in this instance, I think the importance and the urgency and the cost of the AEL proposals to make our grid reliable and safe should be seen by the public to have been debated by as many States Members as possible.

135 I think the size of the individual shareholdings in the company and the likelihood of that personal gain is really very small and probably immaterial and arguably every single person here tonight has a profound interest in this investment decision which is effectively to keep the lights on here. So, I do agree with Mr Jean.

The President: Thank you very much, Mrs Paris.

140 Does anyone else wish to speak on this? Mr Birmingham.

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

145 As has already been pointed out, the position of the States nominated director of AEL is a bit of a problematic one. Under company law my legal duty as a company director is to the shareholders of AEL but not to one single shareholder, whereas my States Member responsibility is obviously to the electorate and these two roles are not always compatible.

150 I have obviously been informed by the President that, as a nominee shareholder, I am not conflicted under the Rules of Procedure and I am entitled both to speak and vote on the Item. However, whilst not legally in conflict, my own personal position has always been that I should act as though I am an employee of AEL and on those grounds have always abstained myself from any vote on any proposal brought to either P&F, full States or even as a planning matter brought to the BDCC relating to AEL.

155 I also resigned the position of Deputy Chair of the Finance Committee to ensure that there was no potential conflict there either. I see no reason for myself not to continue with that position and will therefore abstain on this amendment and I will also abstain on the Item itself. I will only speak on points of order to correct any misleading or inaccurate statements by way of information.

However, my support for the proposal I think is implicit in that it has been brought to the States by the board of which I am a member.

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

Does any other Member wish to speak on this?

Mr Simonet: Yes, Mr President.

165 **The President:** Mr Simonet.

Mr Simonet: Thank you, sir.

Well, I take a contrary view to the speakers so far. This States is made up of 10 independent individuals who together constitute the Government of the Island. To ensure unified and

170 cohesive governance, each of those 10 Members must show the utmost respect for both the
formal regulations and the established conventions. Respect for the position of President and his
authority is one such convention and his constitutional authority must be regarded as absolute.
The President is supported by formal legal advice from the Solicitor General, Her Majesty's
175 Comptroller, who made a ruling under Rule 21(1)(c) of the Rules of Procedure, that Members
who hold shares in AEL are not able to take part in the debate or vote. We are now being asked
to circumvent this ruling by agreeing to suspend Rule 21.

It has been argued that, because these shares held by some Members are of little value,
there is nothing for the Member to gain. This is like saying, 'If you only steal amounts under
£100, it does not really matter. It is not stealing.' If the States support this proposal, what will
180 happen the next time a Member wants to vote on an issue where they have a vested interest?
We will have set a precedent. Are we going to sit in judgment of the value of that interest?

This proposal brings into serious question the States approach to Member's Declaration of
Interests and even the fundamental rules of governance. The President made his ruling,
supported by legal advice. It is shameful that this ruling is being ignored. The office of President
185 should not be undermined by the personal vanity of States Members. Whatever the outcome of
this proposal, as a shareholder of AEL, I will not take part in the forthcoming debate and nor will
I vote on it.

Thank you, Mr President.

190 **The President:** Thank you, Mr Simonet.
Does any other Member wish to speak on this? Mr McDowall? Mr Roberts?

Mr McDowall: No thank you.

195 **Mr Roberts:** It has all been said, sir.

The President: Thank you very much.

Right, Monsieur Greffier, if you would please take a vote. The motion that we are voting on
is: those in favour are to suspend Item 21(1)(c) under Article 24.

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

A vote was taken and the results were as follows:

FOR	AGAINST	ABSTAINED
Mr Jean	Mr Simonet	Mr Birmingham
Mr Harvey	Mr Rowley	Mr McDowall
Mr Roberts		
Mrs Paris		
Mr McKinley		

The Greffier: Sir, that motion is carried.

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

The President: That means for the next Item, Item I on the Billet and for that Item only, Rule
21(1)(c) will be suspended.

Billet d'État for Wednesday, 18th November 2015

I. Alderney Electricity Limited – Capital Funding for Improvements to Distribution Grid – Item approved

Item I

The States of Alderney is asked to approve:

1. Granting Alderney Electricity Limited a maximum of £1.2M over the three years 2015 to 2017, to be funded from the States of Alderney Capital Account, and reflected accordingly in the revised budget.

2. Authorising the Chief Executive of the States of Alderney, in conjunction with the legal advisors of the States of Alderney, to agree and sign the Heads of Terms of Agreement and associated contracts.

3. Authorising the Chief Executive of the States of Alderney, in conjunction with the legal advisors of the States of Alderney, to agree and sign the fully repairing lease on transfer of the assets.

210

The President: Mr Simonet, could you please give the Convener's report on Item I.

Mr Simonet: Yes, Mr President.

215

Comments on this Item are as follows. One person commented that at least four States Members hold shares in AEL and one being the main contractor on this programme. This would prove that the States are not quorate to vote on this Item. It was then clarified by the President that, even with some States Members conflicted, the current Rules of Procedure state that providing enough States Member are present to ensure the States of Alderney are quorate at the opening of the States meeting, then they are quorate throughout the meeting. This advice

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has been sought from the Solicitor General who advised as Comptroller.

That was the only comment, sir.

The President: Thank you very much indeed.

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

225

Mr Harvey: I do, sir. Thank you very much.

230

It gives me pleasure to propose this, because I think in my brief time in the States – a rather longer time observing the States – this is one of the most sensible, straightforward proposals in the interests of the people of Alderney probably since the water supply was upgraded and there are some similarities with what happened over the water supply. It is difficult, therefore, to understand the motivation of those who seek to have deferred or delayed or interfered with this debate.

Quite frankly, our grid or our network is terribly dated and quite possibly unsafe. It does not achieve the purposes set out in the proposals put forward by AEL and I refer to Appendix A, where it says:

235

'The primary purpose of the proposal is network safety for AEL staff and the public. The secondary purpose addresses areas of the grid exhibiting unacceptably high vulnerability to loss of supply.'

So quite simply, this is about whether we have a grid which is fit for purpose, both safe for the people who have to operate it, safe for the public and provides us with continuity of supply.

My colleagues and I – and most of us took up the invitation – were invited to look at the network and particularly the substations last year and, quite frankly, with one or two singular exceptions, it was quite appalling. I cannot begin to go through the full list of problems with the grid and the substations, but just to give Members who were not there a flavour of it, there were high voltage cables, of the tar and paper construction, where the paper was coming off, running across puddle strewn floors, due to the leakage of water through the German bunkers and other buildings in which they were situated. There was switchgear leaking hydraulic oil, to add the puddles on the floor, and using what I believe are termed ‘blade switches’ – certainly switches of a type no longer allowed in the UK or in any civilised jurisdiction.

There were fuses which probably are almost as unobtainable as spare parts for a Trislander now and were rapidly running out, following which heaven only knows what they were to do for that particular gear. And, of course, this quirky, archaic, out-of-date, unsatisfactory network was managed by staff who were inevitably aging and who were due to disappear in retirement with no knowledge left behind as to how to operate this network.

So, quite honestly, it was a mess and, as I say, in many jurisdictions it would have been closed down. We are extremely fortunate, I think, that the AEL staff have managed to keep our electricity supply and the continuity of that going as well as they have and that is a tribute to them. **(A Member: Hear, hear.)**

So, what is to be done? Well, if there is no change to the finances of AEL, they have calculated this will be a 20-year project to put this right, which I would suggest is far too long. Long before that 20 years is up, we will be seeing power cuts or worse situations.

So there are only two options open to AEL. The first one is to increase everybody’s bill and every consumer’s bill to be increased to pay for the work to be done in a sensible timescale. One could imagine how popular that would be, from the point of view of everybody in this room, I am sure.

The other option was the proposal that now is before us: to accelerate the programme of updating the grid, which has started, but the major expenditure is still to come in future years. The mechanism for achieving this I shall leave to Mr McDowall to explain in greater detail, but it is a sale and leaseback arrangement, which is quite normal in modern business practices and has the important advantage that it does not benefit the minority shareholders with public money. But as I say, I will leave Mr McDowall to talk more on that.

A number of issues have been raised and I have to say that the majority of States Members hitherto – and we have discussed this in Policy & Finance – have seemed supportive of this, reasonably enough. Some of the issues raised by one Member in particular are that the programme is out of control and, in particular, reference is made to the St Anne’s substation, which many of you will know is down the very small alleyway, behind the old fire station. I have to say that Mr Lancaster who is in the audience tonight has provided a very full report in early September, setting out exactly what has been happening with that particular substation. I think the first thing that is important to say is that was not their first choice of site. Their first choice of site was the old fire station itself, but the States said we may have an alternative use for that and directed to them what could probably best be described as the hole in the wall down an incredibly narrow lane. So that has presented them with huge difficulties to actually do the groundwork and the infrastructure work.

Nevertheless, his report in early September indicates that the project is within budget, albeit it is running behind time due to problems ranging from a two and a half tonne boulder found underneath the foundations, to the appalling weather in August. Of course, because of the delays and the further development of the plans for the grid, they have now increased the number of connections which improves the security of supply going forward. So, I do not believe that the issues with the St Anne’s substation are in any way cause to not accept this.

290 In summary, sir, very simply, we have three options: do nothing and watch the lights start to go out over the next few years, that is if nobody is injured in the management of this system; to put up everybody's bill, which I can imagine being extremely popular; or to accept this well thought out proposal and I commend the proposal to you.

Thank you.

The President: Thank you, Mr Harvey.

295 Mr McDowall, I believe you wish to second this.

Mr McDowall: Yes. Thank you very much, Mr President, ladies and gentlemen.

300 I would like to talk about a few of the technical aspects of this particularly project. As people will see from the schedules, the States is funding this over a three year period. The States will not take any liability for the grid until the grid is completed and certificated, at which point it comes onto the balance sheet of the States and hopefully we will have some decent accounting systems by that time and we can reflect it on the balance sheet.

305 To more immediate things: it is actually very important in the course of this project that there are quarterly reports, detailing the performance against budget; where there are lags; where there are slippages. Certainly while I am on the States, I will endeavour to put the quarterly reports on the Billet so that the public can see them and question States Members appropriately. I think that is extremely important in what I suppose is a sensitive project.

310 The third point I would like to talk about are some of the risks of the project. There clearly are risks and, frankly, the AEL has to put penalty clauses on time overruns and budget overruns in a contracting out that they do, because there is no way that any of the overrun should fall on the consumers of electricity. So, therefore, they have got to take some pretty hard decisions, in my view, as to who they contract out to. The enterprises have to have a balance sheet and they have to be able to pay the penalties that they may incur. That may not please some of the local contractors, but I am afraid that is life.

The third point I would like to talk about is the Concession Law. It says here:

'The issue has also highlighted the requirement for a full review of the Concession Law to be carried out at some future stage...'

315 I frankly think that needs to be carried out over the next two years, before the States formally signs any full operating lease with AEL. That is a sanction, I suppose, on AEL to perform and perform properly and it also gives us the opportunity to look, at the end of the day, whether there should be monopolies that should continue over all aspects of the grid. So I will, at the next convenient P&F meeting be putting forward a proposal that the Chief Executive is mandated to review the Concession Law. The way the law ponderously moves on, this will probably take a year or two to do anyway, so the sooner we start it the better.

320 I think the other points I would like to make are the emphasised safety issues, emphasising also that we do have to have a grid that is fit for purpose in the hope and expectation that we have other forms of energy which go to the grid. So it is absolutely essential we commence this project now, although some of it has been commenced, but AEL should be absolutely aware that there is going to be a lot of interest in this and we have got to shape up and do it to time and to budget.

Thank you.

330 **The President:** Thank you, Mr McDowall.

Mr McDowall: Does any Member wish to speak on this subject, please? Mrs Paris.

Mrs Paris: Thank you, sir.

335 One of my very first invitations on joining the States was to be taken on a tour of the AEL substations. It gave me an insight into two issues. It made me aware of the excellent manners of my fellow States Members. No matter how dank, gloomy and full of ancient switchgear these substations were, their policy of 'ladies first' operated without exception. *(Laughter)*

340 But having said that, the other thing which one became very aware of was the very old and failing infrastructure of the electricity grid that we were being shown and there is considerable urgency to this project and time has already been lost. I have to say I would be pleased and proud to be counted as a Member of the States who had finally tackled this long-standing problem of how to improve the safety and the reliability of our electricity grid without the burden of the cost falling upon the Island's electricity consumer.

345 Thank you.

The President: Thank you, Mrs Paris.
Any other? Mr Rowley.

350 **Mr Rowley:** Yes, I fully endorse Mrs Paris' comments. It is one of the most memorable things, for me, was being taken on a trip around the substations and, good manners apart, it was an eye-opening experience. Some of them, the cables were literally snaked around the floor and people had to go in and deal with that every day. It is time we grasped the nettle and dealt with it and I fully support this.

355 Thank you.

The President: Thank you, Mr Rowley.
Mr Jean, you are now exempt from Rule 21(1)(c) and may speak and vote.

360 **Mr Jean:** Thank you, sir.

I will start, if I may, by thanking the Members of the States for supporting the proposition so that myself and other Members may take part in this debate.

365 Many years, as I have said, I have raised many points at AEL meetings and in meetings of the States of Alderney, in particular, meetings of P&F. I am not going to talk a great deal about the substation at St Martin's. I have already placed my dissatisfaction and views on record.

370 Instead, my remarks will centre around the capital request for £1,200,000. I cannot help but feel, if the States of Alderney had taken an interest, by now a thorough revamp of the company would be have been completed and, if the capital requests we are considering tonight had come before us all at all, it would be possibly for a considerably reduced sum. There is no doubt in my mind golden opportunities have been missed.

I still feel that there should be a thorough review and the words of Mr McDowall have been reassuring to me. His speech was interesting: talking, at last, about the States imposing some sort of rules, which sadly we have not done up to now.

375 There should be a thorough review of the running aspects of AEL. This year has been a particularly difficult one for me, particularly over this issue. Much of what I have had to say about AEL I have found not included to my satisfaction in P&F minutes. Nor, save one public forum meeting which I could have attended, the other four public forum meetings were arranged, by accident or by design – and I would go for the latter, by accident – to coincide with my being off the Island working at my post in the Guernsey States. This also includes the AEL AGM. Do you see my frustration grow?

380 These are the reasons I took the decision to publish my views on the situation. I would object less to this proposal if I received assurance that we would conduct a proper review of AEL and I am sad to say the States has not so far, but it may happen. I have hope, after hearing Mr McDowall, I have hope. Little to satisfy my requests.

385 The public must pay and this is not the first request for capital for AEL this year, with £50,000 allocated to a refuelling bowser at the airport. All I want to know is how do we justify this, if we together have not done enough or done so little?

Now, to the points made by Mrs Paris. I did take the substation tour and I am the first to admit that the substations are obsolete and do require modernisation. I can realise there is no doubt the work is required. I am concerned that the figure is an inflated sum at £1,200,000, because of the overspend – and I call it an overspend because my belief is that the budget was set by AEL and, if that is the case, a budget can be set at any level and approved. And still going: £200,000 and still going and our failure to review. If I could receive assurance that we would start to look seriously at this and the beginnings of it are there in Mr McDowall's speech, I would consider voting for this Item as I do realise the work is necessary.

My views have always been independent views, sincerely held on behalf of the public. All I want on the public's behalf and because we need this public money for very important public projects and we as a States will become less able to allocate dwindling and precious monies towards very important public projects, such as – and I can give you two examples – a ferry or a 21st century airfield, which will boost the economy, increase tourism and may be of benefit for generations to come.

We must look to get value for public monies that we control and that is why I feel so strongly about this Item. If you can give me any more assurance, I may even be able to vote for this Item. Believe me, I want to. I know the state of the grid. I am worried about the figure. Will there be any checks whether this can be done more cheaply and will there be any thing in place so that if there are surplus monies they will be returned to the States of Alderney?

The view I am taking is that I am trying to look after the public purse and I am quite sure that many of you take that view alongside me.

Thank you, sir.

The President: Thank you, Mr Jean.

Mr McKinley, you wish to speak. You, too, are exempt from 21(1)(c) at the moment, so you may talk and vote as you see fit.

Mr McKinley: Thank you, sir.

I do declare myself as a shareholder of AEL, even though a very small one.

I share the views of actually nearly all who have spoken and also the concerns of Mr Jean, particularly with regard to St Martin's, not St Anne's. I think, it is called St Martin's substation. First of all, the time taken on that substation has been – okay, there have been good reasons for it, but it does seem to have taken a very long time and it is still not yet complete. Allegedly it is being done within budget, which I find quite difficult to believe considering the overtime both in man power and in the hire of machinery which has been required. However, I think we will all be very happy, particularly those who live in that area, to see that completed as soon as possible. (**A Member:** Hear, hear.) (*Laughter*)

Like all of us, I have also toured the substations. I was absolutely staggered at the state of those substations, many of which were built by the Germans in the early 1940s. It is quite remarkable that they are still operating and I actually give enormous credit to the staff of AEL who have to visit those substations regularly. It is quite a dangerous procedure and I was actually quite surprised at the procedure we had to go through to get into one of those substations in the first place.

So, I think that they do have to be repaired and they do have to be repaired in a timely manner. There are also concerns, obviously about the reliability of those substations. And, leading on to what I think is an excellent example of the repaired substations is Picaterre, which is an excellent substation and that, I am sure, is the ambition of AEL: to create other substations in much the same manner, otherwise the decline will continue.

I do question, actually, why we have to vote now for the sum of £840,000 for 2017 and I wonder whether we might be able to come back to that, perhaps next year, and vote through the £340,000 now, where that is clearly not on the agenda and consider, having seen the work and understood the problems that AEL are going through in doing that, they may require more money; they may do it at a lower price. Who knows?

I also, actually, although I support this amendment, I would say that it would be quite nice if we could expect some sort of payback in some way from AEL for granting this money and that is not in reduced electricity costs but, perhaps, in fuel delivery costs. They do a very good job in fuel deliver and it is not really their first prime job, but they also make a certain amount of money out of it and with the increased tax on fuel duty over the last month or so, agreed in Guernsey recently, it will be quite nice to see some of that money coming back. Just a possibility; just for consideration.

I would say that this has to be done. It is an absolute priority. I know our priority is, at the moment, air links and sea links, real links with the outside world, but if we do not do this, I would not want to be the last person to say, 'The last one put the lights out.'

Thank you very much, sir.

The President: Thank you very much, Mr McKinley.

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

Mr Roberts: Yes, please.

I was going to vote against Item I as I was unhappy for two reasons. One was the fact that four Members were excluded from the vote on the very fact that they had penny shares in AEL which yield absolutely nothing. To say these Members cannot or will not vote would have been wrong and I commend Louis for bringing that forward. So, I am happy with the first part.

Reason two was the fact that I was unhappy about the seemingly lax way one project by AEL was being conducted and the claim that the said project was under budget was very hard for me to swallow. However, I have been assured that when the new projects are started, they will be assured with stringent time penalties and with waste watch scrutiny that will ensure Alderney's money is invested for the future grid that will then belong to the States.

I also want the Law of Concession changed. This will end monopoly and enable other parties to tender supply, perhaps from the seabed or from private individuals who can bestow solar energy producing elements and sell back the excess on the grid, producing a greener, self-sustaining Alderney, free from the current monopoly and protecting electricity prices.

Thank you.

The President: Thank you, Mr Roberts.

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

Monsieur Greffier, I would like you to take the vote in two parts, please. First vote on item number 1, which is the granting of the money and then we can take items 2 and 3 as one item, authorising the Chief Executive – *(Interjection)* Yes, he does.

I am just talking about the voting at the moment. When I have finished talking about the voting, so everybody understands that, then Mr Harvey will sum up.

If you would like to sum up, Mr Harvey.

Mr Harvey: Thank you, sir.

I will try and make this brief, because I know we want to get on.

Thank you to all my colleagues for their thoughtful input.

Mr McDowall clearly is anxious to get a thorough grip, quite properly, on the nature of contracts with penalties, as appropriate, in there and close monitoring by the States as to the money is followed into the actual development. I take great reassurance from that.

Thank you, Mrs Paris. It is good to hear that you feel the States Members are courteous and hopefully we continue to be so.

Mr Rowley talked about an unsafe environment, which very clearly it is.

490 Mr Jean: £1.2 million capital request. I cannot tell you the figures on the water supply, but I suspect they were significantly more than that. You mention that you feel that it could be done for a considerably smaller sum and there has been a good deal of correspondence suggesting that the substation that we are talking about – which AEL call St Anne's because I guess it serves St Anne, though it may be sited in St Martin's – could be have been built for £28,000. Well, I am
495 not a builder and I am not an expert, but I think I would rather take the view that AEL have expressed. And they have confessed that the project is behind. If I may quote from correspondence:

'We have had to make it up as we have gone along to some extent...'

But it was the site that the States directed them to. And they made the points that,

'The other subs are considerably less demanding.'

Is it value for money? Well, let me just tell our States Members what they will get for their
500 money. The project includes new switchgear at the power station; upgrades to eight key substations – and as we know some of those substations, even the fabric and structure of the buildings themselves or bunkers is in a, frankly, appalling state, never mind the switchgear and the connections that are therein. So, eight key substations; associated cabling and removal of two existing substations. Now, to my untutored eye, that looks like a lot of work to be done and
505 the urgency and the extent of that work was apparent to everybody who went round on the tour. So, I am not in a position to say whether it should cost £1.2 million or £600,000, but I would rather take the larger figure than the smaller.

As I say, I am reassured that Mr McDowall, and I have no doubt our Treasurer, will be keeping very close tabs on the money that is going out.

510 Mr McKinley talked about the cost overruns at St Anne's. I guess the figures for the AEL are audited, like every other concern, and if there is anything untoward then the auditors should be looking and finding that but frankly I do not expect them to.

Split funding: could we split the total sum? I guess that is a debate that could be had but, frankly, this is a whole programme. It is a grid. It is a network. The whole thing stands or falls
515 together and I think for the assurance of placing contracts AEL need to know that the full sum is available, so I do not think the split in the funding, attractive though it is, is necessarily the way forward.

Payback on the project: well, the payback is probably the avoidance of a disaster, frankly, and I cannot think of a bigger payback than having the lights continue to function. But I do recognise that an absence of something bad is not quite as attractive as something additional.
520

Mr Roberts, thank you for your comments about a greener Alderney and protecting prices. I am sure those things we would all espouse.

So, I think that is all I have to say, sir.

Thank you.

525

The President: Thank you very much, Mr Harvey.

At the cost of repeating myself, after cutting off Mr Harvey, I will just say, when we vote on this, Monsieur Greffier, I think if we take item 1 as one vote and then items 2 and 3 as a single
530 vote.

The Greffier: Yes, sir.

In that case, firstly, the States of Alderney are asked to approve granting Alderney Electricity Limited a maximum of £1.2 million over the three years of 2015 to 2017, to be funded from the States of Alderney Capital Account and reflected accordingly in the revised budget.

A vote was taken and the results were as follows:

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

535

The Greffier: Thank you. That part of the motion is carried, sir.

And, secondly, the States of Alderney are asked to approve, firstly, authorising the Chief Executive of the States of Alderney, in conjunction with the legal advisers of the States of Alderney, to agree and sign the Heads of Terms of Agreement and associated contracts. And, secondly, authorising the Chief Executive of the States of Alderney, in conjunction with the legal advisers of the States of Alderney, to agree and sign a fully repairing lease on transfer of the assets.

540

A vote was taken and the results were as follows:

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

545

The Greffier: And, again, that motion is carried, sir.

The President: Thank you very much, Monsieur Greffier.

II. Proposed Increase in Water Rates – The States Water Supply (Rates of Charge) (Alderney) Ordinance 2015 approved

Item II.

The States is asked:

To approve the States Water Supply (Rates of Charge)(Alderney) Ordinance 2015.

The President: Could we move to Item II, please.

550

The Greffier: Yes, sir.

Item II this evening is the proposed increase in water rates. A letter has been received from Mrs Paris, in her capacity as the Deputy Chairman of the General Services Committee, and the States of Alderney have been asked to approve the States Water Supply (Rates of Charge)(Alderney) Ordinance 2015.

555

The President: Thank you.
Mr Simonet, as Convener.

Mr Simonet: Mr President, there were no comments on this Item.

560

The President: Thank you, Mr Simonet.
Mrs Paris, I believe you wish to propose this.

Mrs Paris: Thank you, sir.

565

Unlike the situation with Alderney Electricity, the issue with serious underspending on capital projects at the Water Board has largely been addressed and the infrastructure programme to supplying an adequate water supply at an acceptable standard is well in hand. Further investment by the States of Alderney is anticipated in 2016.

570

Separately though is the issue of operating at a deficit. This has been addressed over the past few years too and it is now considered prudent to continue to meet the Water Board's annual operating costs in any given year out of income and any savings which can be made and I understand a few have been made.

In order to so this, so that there is no deficit, the Water Board wishes to increase the 2016 fees by 2% and this should achieve a small operating surplus for 2016.

575

However, the devil is in the detail: rather than apply 2% across the board, the proposals are slightly more complex. I am sure my colleagues will have acquainted themselves with the finer details, so I will not repeat them unless anybody wants me to. So, it is proposed that the 2% increase comes into effect on 26th December, i.e. payable in March 2016.

580

I would hope my colleagues would support these proposals and I commend the notice to everyone.

The President: Thank you, Mrs Paris.
Mr Rowley, I believe you wish to second this.

585

Mr Rowley: Yes, that is right, sir. I would like to second it. These moves just keep us up to date with the Retail Price Index.

That is all I have got to say.

The President: Mr Rowley.

590

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

595

Mr Jean: I am always concerned about any increase. In this case, I realise it is minimal, but if you take 2013, 2014 and 2015 at 2.1%, that is over 6%. I also understand that it is to try to create a small surplus. However, the Water Board did come good this year with a £47,000 surplus if I am correct and I remember correctly. These are delicate times, very delicate.

600

I am concerned, as well, about some of the ideas to do with shut off charges and this does concern me. I think we should be very careful what we are proposing: to increase shut off charges and things like this. This really does worry me, because the Island is going through a delicate time. There is no doubt about it. We are hearing, at the moment, some quite interesting and some good news and I above all want to be optimistic, but despite optimism that they are starting to go in the right direction, I could be guilty of one other thing with my concern for the public and that is of being very careful.

605

I am not keen on water rate rises when I hear cases put to me that the States does take exception to the Water Board having access to capital budget money. I think again, for me, it is pretty important that the Water Board always have access to capital money. And the reason I say that is because, always, the Water Board, the way that it is run and the way that staff succeed one another and our mantra at the Water Board comes up through the ranks, I think is a

610 very successful formula and it has always made me very proud of our Water Board. We have seen several managers over the years and they have been excellent, but they have all risen through the ranks, which I *really* like and respect.

I am basically, saying that I am concerned about this, but I will vote for it, but I will watch in future years that this does not become a regular, steady practice. I think we should be very careful about shut off charges increasing and creating any pressure on a market that is already having a bit of a time where it is trying to stabilise itself.

615 Thank you, sir.

The President: Thank you, Mr Jean.

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

620 **Mr McDowall:** Mr President, just a couple of points of clarification from Mr Jean. I am in sympathy with him and certainly the Water Board is not *de facto* deprived of access to the Capital Account. If there were emergencies; if there were very specific large projects that needed doing, for example, if salt water got into the reservoir or whatever, clearly one would give access to that. It would be stupid not to. (**Mr Jean:** Thank you.)

625 I think the second point on the disconnection charges: these are actually aimed at rogue second home owners who try to cut their spending, if you like, by having cheap cut-offs and not spending money on appropriate charges. So, I do not think it is particularly aimed at the poor and deprived, Mr Jean.

Thank you.

630

The President: Does any other Member wish to speak on Item II? Mr Roberts.

635 **Mr Roberts:** I would just like to mirror Mr Jean's comments. I do not like to see this perpetual cost up and, particularly the way inflation is at the moment, I would have liked to have seen it, this year, absorbed. However, I will be voting for it.

The President: Thank you, Mr Roberts.

Mrs Paris. Can I just check that no other Member wants to speak? (**Mrs Paris:** Sorry.) Does any – ? Mr Birmingham.

640

Mr Birmingham: Yes. Thank you very much.

Mr President, fellow Members, I am going to have to be the lone Thatcherite up here by the sounds of it and say I completely disagree with Mr Jean and Mr Roberts in their assessments.

645 At last year's States meeting relating to this Item, I stated my opposition to the reversal of the policy of inflationary increases to the water rates. However, last year I voted in favour of the in-line inflation increase due to the significant changes that occurred within the Water Board operations, particularly in the investment of new equipment and changes to operating procedures which have led to some potential cost savings. So, I was delighted to see, in the revised budget for 2015, the projected surplus for the Water Board in the region of £40,000 to
650 £47,000. I was less delighted when I saw the budget for the Water Board for 2016, which aimed for a surplus reducing to £25,000. This is quite simply the wrong direction of travel and a massive retrograde step in the long-term finances of the Water Board.

655 The upgrades to the water distribution system are still being funded out of States of Alderney Capital Reserve and not out of Water Board revenues. It is a further £250,000 this year and now we are in a total in excess of £2 million. I have no issues with that money being spent or the capital being put in – it was required – but over the long-term, you cannot keep dipping into your capital reserve in this manner.

I was especially disappointed when I noted in this year's Water Board capital budget that the vehicle was included in an item that in my view should be part of the Board's O&M budget and should be treated as part of the company's revenue stream, not as part of the capital grant.

The long-term aim for the States must be that the Water Board must start paying for its capital investment out of its revenues and for this to happen the Water Rates must increase above inflation year on year until the surpluses that are generated are of a magnitude to allow this to happen. If the States do not address that long-term funding issue, the Water Board will continue to bleed money from the capital account like an open wound, money that could be directed to other States' projects. The States need to make a commitment to a long-term policy of above inflation rises, until the Water Board can fund its own capital upgrade programme out of its own revenues. Any other action is irresponsible, because it just buries the financial problems for the next generation.

670

The President: Thank you, Mr Birmingham.

Does any other Member wish to speak on this Item before Mrs Paris sums up? Mr McDowall.

Mr McDowall: Yes, just a point of order, if I may, for Mr Birmingham's clarification: the Water Board adopts, unlike the rest of the States, proper accounting procedures and therefore the vehicle does count as capital for accounting purposes.

675

The President: Thank you, Mr McDowall, for that point of order.

Does any other Member wish to speak prior to Mrs Paris summing up?

680

Mrs Paris, would you care to sum up.

Mrs Paris: Thank you, sir.

I am glad to hear that in the various ways, I think the principle of good housekeeping – that one should live within one's means – seems to be quite acceptable to everyone. I think the fact that it is just a 2% increase is an acknowledgement of how delicate the state of our economy is. I understand what Mr Birmingham is saying, but I also acknowledge what Mr Jean has said: that this is a difficult time to do perhaps more than break even.

685

Just to draw attention to the capital money, the access that the Water Board has had. It has been £2.2 million since 2008, which I think helps put the AEL figure into perspective and there is another £250,000 in next year's budget and, whilst acknowledging all the issues about where that money should come from, I think the issue which we have here, which is the recommendation that we increase prices by 2% and live within our means, stands as a perfectly acceptable way ahead.

690

Thank you.

695

The President: Thank you.

Greffier, will you please put Item II to the vote.

The Greffier: Thank you, sir.

700

The States of Alderney are asked to approve the States Water Supply (Rates of Charge)(Alderney) Ordinance of 2015.

A vote was taken and the results were as follows:

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

705 **The Greffier:** Thank you, sir. That motion is also carried.

**III. Questions and Reports –
Report from Mrs Paris – Living Island Initiative 2013-15**

Item III.

Report on the Living Island Initiative 2013-15 from Mrs Norma Paris.

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

The Greffier: Thank you, sir.

710 Item III this evening is Questions and Reports. A single report has been received from Mrs Paris in relation to the Living Island Initiative of 2013-15.

The President: Thank you.

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

715 **Mr Simonet:** Yes, there were, Mr President. Mrs Paris actually came and answered those questions and I shall read them out as I am required to do.

Mrs Paris first thanked Martin Batt and Anne-Isabelle Boulon for all their hard work for Living Islands.

720 The first comment was: what are the plans for the future? Mrs Paris stated that negotiations were underway for moving forward.

Current work on the Nunnery: it was clarified that a survey had been completed with a list of things that could or should be done having been compiled. The current work being carried out in the Nunnery is by the recent tenant. I should say Mr Birmingham was replying at this stage. There were a number of people who actually persisted with the replies. Mr Birmingham also stated that the Nunnery is listed in the Historic Building Register and is within the conservation area. This gives the building some protection above the normal laws.

It was stated that Mrs Paris had placed a 'bold statement' within the report regarding the 'continuation to acknowledge that these tour operators will not use ungraded accommodation.'

730 In the absence of legislation to protect our heritage, sites were raised regarding the botched job – Sorry this is not reading too well, Mr President. I will start again.

The absence of legislation to protect our heritage sites was raised regarding the 'botch job' on the part of the roof of the Nunnery. It was also stated that there were many important artefacts within the Nunnery which need to be individually listed for preservation and protection. It was clarified that the States of Alderney are in agreement for this to be done.

735 Thank you, Mr President.

The President: Thank you, Mr Simonet.

Mrs Paris, would you care to present your report.

Mrs Paris: Thank you, sir.

740 As I am sure everyone is aware, the Living Islands' project in its current form has now pretty well come to a close. Just to recap, we were very fortunate indeed that our own Wildlife Trust managed to negotiate the receipt of £50,000 from the Strategic Development Fund of the Royal Society of Wildlife Trusts and the States of Alderney matched that funding. It is very rare that we get money from anybody here, so I think Roland Gauvain deserves a lot of praise for effectively
745 punching above his weight, I think, in the wildlife trust world in the UK. (**A Member:** Hear, hear.)

These were very generous sums to get the project going and, in true Alderney fashion, an awful lot of voluntary hours were also put into the project and obviously they are very much appreciated wherever they came.

The whole push of the project was the recognition that small island jurisdictions, such as our
750 own, have very specific problems peculiar to themselves: transport links, lack of ability to keep younger people on island, the depopulation and the gradual deterioration of services that all this leads to. The push of it was to find ways in which these things could be addressed, firstly to address them here and then to produce the report, which hopefully will be useful to other islands and small jurisdictions who could learn both from our successes and obviously from our
755 mistakes, because it would only be fair to say that because of the complex shareholder relationships there were in this project, there were some areas of dissent in the course of the two years.

There have been some very interesting key achievements. The obvious ones are the clearance of Tourgis and Bibette Head as heritage sites; the World War II Homecoming and
760 Evacuation events; our involvement in the Channel Islands Heritage Festival and, from a tourism point of view, the recognition that an emphasis on our wildlife and our heritage is very important. We have huge potential there in both areas and this is a growth area in tourism, growing when most other areas of tourism are not. We have managed to put ourselves out there and had some successes and hope obviously to continue with those successes. Tourism is
765 very important here. It employs about 10% of our economically active population and it is very labour intensive as well, so it is a very central part of our economy.

We are going to have problems, obviously: our transport links and several other things. We have not got it all in the bag by any means, but having said that we have got a plan to go ahead with. Martin Batt is here until Christmas to hand over to Visit Alderney. We hope to make an
770 appointment quite soon in the Tourism Department which will specifically be about heritage and wildlife and we will be more careful and proactive in looking after our environment, hopefully, so that we have an excellent product to offer to all these tourists we are hoping to attract.

So, really, I think, as was started, a big thank you is due to both Martin Batt and Anne-Isabelle Boulon for two years of hard work and unfaltering commitment to putting Alderney on the
775 tourism map. (**A Member:** Hear, hear.)

So, if anyone has any questions, I am very happy to answer.

The President: Thank you, Mrs Paris.

780 Does anybody have any questions for Mrs Paris? Mr Harvey.

Mr Harvey: Thank you, sir.

Thank you, Mrs Paris, for the Report. Having been involved at the outset of Living Islands, when it was far from clear quite what it might achieve, I think it has achieved a great deal, some of it, perhaps, in unsuspected areas. But, where now is the bit that really concerns me or
785 interests me and in your second bullet point it says,

'There will be an appointment within Visit Alderney to build upon the marketing...'

The rest of it you have just mentioned now. You hope that to be soon. Are you able to give us any sort of indication as to what the nature of that appointment might be, not in terms of individuals, but the profile of a person?

790 **Mrs Paris:** Thank you.

We are looking at the job description which covers both Martin and Anne-Isabelle's job specification and hope to make an appointment of someone who will report to Emma Odoli who is our Tourism Manager and will work out of the VIC, the Visitor Information Centre. We hope to have that in place in the new year.

795

The President: Mrs Paris.

Does any other Member have...? Mr McDowall.

Mr McDowall: Yes, thank you, Mrs Paris.

800 Has Living Islands built up a brand value, such that an enterprise may acquire it and perhaps the States could get a payback over a period of time?

Mrs Paris: I think we are doing so. I think there are issues running Visit Alderney and Living Islands in parallel. There have been some comments that is slightly muddling for our consumers. I think as things currently stand, there is not enough for a freestanding business to take over. I know how much you like figures, Mr McDowall, (**Mr McDowall:** Absolutely.) so I would say, as an example – I think I circulated the piece that was in Naturetrek, which is basically the largest UK operator of these sorts of holidays, who are offering four holidays here next year, possibly six, having done two very successful ones this year. They have 40,000, effectively preselected for their interest in wildlife, customers and this is going out to all of them and obviously we are not paying for it which is good stuff.

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810
815
820 Now, 40,000 people sounds a lot and one would also say that surely a lot of them want to go abroad and see very exciting things, but British wildlife is increasingly popular. You have only got to look at Springwatch and Autumnwatch to realise that what we might regard as really quite ordinary and not very dramatic, a lot of people do not see like that at all. Not everybody is completely fixated on David Attenborough cuddling gorillas. There are people who want to come here. Now, if we got, say, 2,000 of those people – which I do not think is too extreme over, say, the course of the next five years – all spending four or five nights here, spending at least probably £175 a night each, that would be £1.4 million into the economy. Now, I think for an initial investment of £50,000, that is quite a reasonable return on capital employed, but obviously I will leave Mr McDowall to do the finer calculations on that.

The President: Thank you, Mr Paris.

Do you wish to ask a question, Mr McKinley?

825

Mr McKinley: Mr President, I have a number of questions, actually. Can I ask them one by one or do I ...?

The President: As you wish.

830

Mr McKinley: The 2015 data indicates economic activity with wildlife tourism could be in excess of £4 million. That is in your Report. Can you say where does that actually come from? How does that actually benefit us? Does it benefit us or individuals?

835 **Mrs Paris:** This is research that is done by Leeds Beckett University. They did the original research in 2013 and then the same research was done again in 2015. The numbers are small

and I certainly would not want to stake my life on any of it, but I think the trends are interesting and obviously we will keep doing this research to make it more and more valuable as it goes on.

840 Leeds Beckett suggested, in 2013, that about 25% of the value of tourism here related to wildlife, not specifically that people came to look at wildlife but they were interested when they got here. They reckoned by 2015, that had gone up to 42%, which is where that figure comes from. Obviously, it is not money that is going to the States of Alderney. It is going into the general economy: hotels, restaurants, boat trips, everything that we have to offer here. The only measureable thing that we have is our new group of tourists who are effectively those who
845 come with the tour operators and it is very easy to pinpoint those and say how many we have had and obviously ongoing to keep finding that out. Last year we had about 300 bed nights of these people, not just from Naturetrek, but from several other organisations as well. So, merely to take the Naturetrek figures is probably being quite pessimistic. But that is where the figure comes from.

850

Mr McKinley: Thank you.

You also mention that you are appealing to some of the fastest growing sectors. What exactly are those sectors? And do you have any figures for the years – not this year, perhaps, but for last year?

855

Mrs Paris: Well the three faster growing sectors: if you put nature and heritage, perhaps, together in the one pot and the other is actually adventure tourism, but perhaps we will not go there tonight. The RSPB did some research between 2005 and 2009 and reckoned that environmental tourism increased by about 10% over the same period, with a decline in general
860 tourism of about 9%. So that is a little bit out of date, but it is interesting. Figures for heritage, which I am afraid I do not have to hand, are similar.

Mr McKinley: Sorry, the other is that I think some concerns of perhaps conflicts of interests between certain parties on the Island: Alderney Wildlife Trust being one, the Alderney Society
865 being the other and one or two others who are working at possibly some of our more recent heritage, in that there are conflicts of interest, if you like, between some of the parties. I will take for example, Bibette Head, which is a unique war time position, which has actually been turned really into a bird watching site, which I quite understand, on one side, the Wildlife Trust, but that sort of thing has actually destroyed quite a lot of our war time heritage, rather than
870 improving it.

The President: And the question was, Mr McKinley?

Mr McKinley: That was the conflict. There is a conflict?

875

The President: And the question was?

Mr McKinley: Well, the question is, are you aware of that conflict and perhaps we could discuss it some time? *(Laughter)*

880

The President: Thank you.

Mrs Paris: I am aware of the conflict but assume you have, in fact, brought it up quite recently. I would be – how to put this. The Alderney Society have obviously had a great hand in
885 the whole of the heritage side of the projects. I could imagine that there would be some interesting discussions between the Wildlife and the Alderney Society as to quite how the split of various things might work and that is one of the things we are going to have to cover in the

future with service level agreements, to make sure that everybody does know what they are supposed to be doing and does not overstep the mark or get under somebody else's feet.

890

The President: Thank you.

Mr McKinley: Sorry, one more final question, if I may, sir.

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The President: One more question?

Mr McKinley: Final question.

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This is really for the information of everyone actually, but the question is asked, do we receive a tourist grant from Guernsey? Now, the motive or reason for that question – and I think I already know the answer – is that the Minister for Commerce & Employment in Guernsey is opposing the Reciprocal Health Agreement or the reinstatement of the Reciprocal Health Agreement between the Bailiwick and UK on the grounds that we will lose our tourist grant. I am not aware that we get a tourist grant in the first place and actually you could argue that reinstalling that agreement would actually improve tourism rather than the other way.

905

So, the question is, do we get a grant?

Mrs Paris: The answer to that is no.

910

Mr McKinley: Thank you. *(Laughter)*

The President: Okay. Thank you very much.

Mr McKinley: It was worth bringing up.

915

The President: Mr McKinley, have you finished?

Mr McKinley: Thank you very much, sir. I have rambled on enough.

920

The President: Does anybody else have questions for Mrs Paris? Mr Jean.

925

Mr Jean: I would like to ask you a question. My understanding is that two key players in Livings Islands, two of your directors, resigned and they were both quite important people. One of them: Trevor Davenport, President of the Alderney Society and other one Roland Gauvain who, as you said, so highly praised for his contribution and his keenness at the start of the projects. I was privy to seeing the two letters of resignation from both men. They were quite detailed. In your opinion, knowing that this was going on over the two year period, do you feel that the other directors did enough to address and try to assist these two wonderful men to remain? I was truly amazed at their letters of resignation.

930

Mrs Paris: I think it would be fair to say that Roland withdrew his letter of resignation or certainly has not acted upon it. I can only speak for myself, as one of the directors of Living Islands. I have spent an enormous amount of time trying to keep everybody happy and in some instances it proved quite impossible.

935

I think one of the problems with the project was that the objectives which were first set out in the flush of enthusiasm were incredibly wide-ranging and not sufficiently thought through, as a result of which there was almost an immediate lack of clarity and communication about quite where the project should go. That was unfortunate but I think having had some feedback from the other Wildlife Trusts, it was a very interesting thing to learn and it is one of the things that we have learned: that we need much more sensible service level agreements with effectively the

940 providers of the product that we are trying to sell, tourism, so that everybody is much clearer and knows much better exactly where they stand.

Mr Jean: Thank you.

945 **The President:** Thank you, Mr Paris.

Does anybody else have any questions for Mrs Paris? Right. No further questions. Mr Roberts.

Mr Roberts: I would just like to congratulate Mrs Paris on all the work she has done here.

950 Does she have any concern for the amount that we spend on Alderney Wildlife and Living Islands? This is two questions.

Also do we really need another appointment as Living Islands is closing down? This will be an extra cost to Alderney and in times of austerity – and I am looking at the spending on the Wildlife and the Living Islands – do you think, in your mind, that we actually should be looking at cutting costs and not spending more?

955

Mrs Paris: I think as I pointed out with some of the figures, that if for an initial investment of £50,000 we get a return on capital of about £1.4 million, there is no argument for not continuing this project. Obviously, with the appointment of one single person who works under the umbrella of Visit Alderney, the costs come down immediately anyway. We have a situation where we only have one person working at the sharp end of tourism at the moment, since the loss of Mrs Flewitt in May and there is no question that a second appointment of some sort needs to be made. Therefore, the obvious thing is to direct them towards something which looks as though it will be highly successful in bringing revenue into the Island.

960

965 Does that answer your...?

The President: Thank you, Mrs Paris.

Do you have another question? Please.

970 **Mr Roberts:** Also, do you not feel that bringing into your Report the measure that QIT... ‘Some people will not accept it without a grading’ was inflammatory, really. I would like not to have seen that in there, because over half the States Members do not support QIT. I would have preferred to see this report without that issue.

975 **Mrs Paris:** Obviously, your opinion is respected, but having said that, we have to face the economic facts that what we are trying to do here is attract low volume, high-worth tourists, because we cannot really do anything else, because we do not have enough seats on the aircraft to attract any other sort of tourist or it is not as worthwhile. These are people who come in with the tour operators and it is just a hard economic fact, they will not put their groups in accommodation which is not graded.

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I am well aware that we have some excellent ungraded accommodation on this Island as well as excellent graded accommodation. But the fact remains that out of the 39 providers that we have – and saying 39, I include the Chez – only nine do not want grading. The other 30 do and that is a silent majority which I think the States are not taking sufficiently into account, because there are far more people who would find the loss of their grading an issue than there are people who do not want it. And it is not compulsory, so those who do not want it, do not have to have it.

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So, really what everybody else wants to do should not be an issue, in my opinion.

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

Does any other Member have questions for Mrs Paris?

Greffier, if you could bring the meeting to a close in that case.

The Greffier: Thank you, sir.

PRAYERS

The Greffier

The Assembly adjourned at 6.48 p.m.