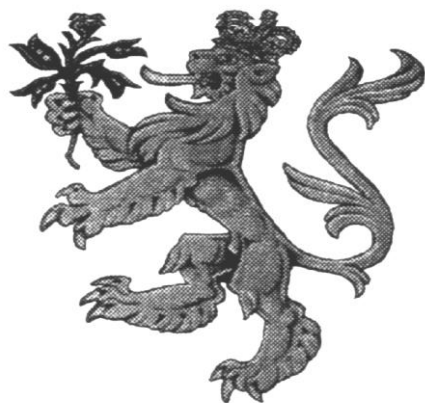


# **States of Alderney**



## **DELIBERATIONS**

WEDNESDAY 15<sup>TH</sup> NOVEMBER 2017

**STATES OF ALDERNEY**  
**DELIBERATIONS FOR THE MEETING**  
**ON WEDNESDAY 15<sup>TH</sup> NOVEMBER 2017 AT 17:30**

Present: Mr Stuart Trought, President  
Mr Ian Tugby  
Mr Matt Birmingham  
Mr Louis Jean  
Mr Steve Roberts  
Mrs Norma Paris  
Mr Graham McKinley  
Mr James Dent  
Mr Alex Snowdon  
Mr Mike Dean  
Mr Tony Barnes

His Excellency Vice Admiral Sir Ian Corder, The Lieutenant-Governor of the Bailiwick of Guernsey was in attendance.

After the opening of the meeting the President welcomed The Lieutenant-Governor and Lady Corder to the meeting.

**Item I**      **Inter Island Freight and Passenger Service Contract**

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

*Proposed by Mrs Paris and seconded by Mr Dean  
Approved unanimously*

**Item II**      **Proposed Increase in Mooring Charges for 2018**

The States of Alderney resolved to approve

- (a) the rates for mooring charges as set out in the Schedule of Charges attached with effect from and including 1<sup>st</sup> January 2018 and
- (b) a concession to offer one night free of charge for visits over 48 hours on a trial basis.

*Proposed by Mrs Paris and seconded by Mr Barnes*

*Approved by a majority:*

*FOR: Messrs Tugby, Birmingham, Roberts, McKinley, Dent, Dean, Barnes and Mrs Paris*

*AGAINST: Messrs Jean and Snowdon*

## **Item VI**      **Questions and Reports**

**Mr Dent presented the following report:-**

### ***“Air Routes: Report to SoA***

*Alderney is a major contributor to the Bailiwick’s economy. In 2016, the Island’s role as the regulator for on-line gambling, was estimated to add £ 26 million annually to the Bailiwick GDP (£ 6 million in Alderney and £20 million in Guernsey) and £1.5 million in the form of personal direct taxation – sums that are continuing to increase. With these moneys in mind I believe that our economy and our economic drivers should be treated with the same seriousness as the Guernsey economy and Guernsey’s own economic drivers.*

*As Chairman of our Policy and Finance Committee I need to restate the following two critical points:*

- ***First:*** *the SoG November 2015 Scrutiny Committee Report entitled “Security of Air Links” and their Recommendation No 16, which was: “The Guernsey Government has an obligation to provide year round, adequate and reliable air links to Alderney. The air link between Guernsey and Alderney is considered a lifeline route with the link to Southampton strategically vital. The best way to secure this service is by means of a Public Service Obligation (PSO) agreement which must be secured as a priority. Once established the PSO must be protected from risk of being undermined by an independent operator running services from Alderney for which a Guernsey air route licence is not required.”; and*
- ***Second:*** *as confirmed in the February 2016 MoU between SoG/STSB and the SoA: “Aurigny operates scheduled passenger and freight services between Guernsey and Alderney and between Alderney and Southampton. Whilst these services are currently loss making, it is acknowledged that they are of fundamental importance to the long term social and economic sustainability of Alderney.”*

*These were important statements of SoG policy, and we have no knowledge that either policy position has been changed.*

*On 25<sup>th</sup> October, at a meeting ostensibly to discuss the implementation of Public Service Agreements, the President of Guernsey’s Committee for Economic Development surprised us with an announcement of a recommendation for change to Bailiwick air transport licensing policy.*

*Alderney was represented at that meeting by myself, and two other states members: Mr Louis Jean and Mrs Norma Paris. The SoA Economic Development Officer, Mr Paul Veron, was also present. The CfED was represented by its Chairman, Deputy Peter Ferbrache and States Member Deputy Jennifer Merret. On their side they were assisted by Mr Chris Williams, Chief Secretary to the CfED and Mr Steve Wakelin, Chief Strategy and Policy Adviser to the Guernsey P&R Committee.*

*We were informed of three important new policy recommendations being considered by the Guernsey committee:*

- *Aurigny was to be given, without any enquiry into its inefficiencies, a five-year monopoly for operating the Gatwick-London route: an important lifeline, of course, for the Bailiwick and particularly important to the Guernsey economy;*
- *on the Guernsey-Alderney route, a Public Service Agreement would be competitively tendered: a minimum schedule/service capacity would be specified and there would be penalties for non-performance – although Aurigny might decide to tender in its own right, if they did not tender and if no other candidate operators came forward, Aurigny would be the operator of last resort – such being close to the model proposed by the Aurigny Review and accepted (at least in principle) by the SoA;*
- *the Alderney-Southampton route would cease to be considered strategically vital or a lifeline route: Aurigny would withdraw its service and there would be a competitively let tender for a new operator – in this case if no other candidate operators came forward, neither the SoG nor Aurigny would be prepared to step in.*

*These changes were announced without our consultation and without reference to either the November 2015 Scrutiny Report or the March and May 2016 Strategic Reviews.*

*The Alderney delegation, while reserving their right to comment further made a number of immediate representations. They noted their disappointment:*

- *in the removal of lifeline designation to the Alderney-Southampton route and questioned the authority of the CfED to make this change*
- *in the different solutions to the Gatwick-Guernsey and Alderney-Southampton links and the apparent abandoning of solutions proposed by the Aurigny Review which had been accepted earlier this year by P&R and STSB*
- *with the lack of recognition of likely difficulties in finding PSO operators given the sub-standard state of the Alderney runway*
- *that the numerous inefficiencies which contributed to Aurigny's losses were being ignored.*

*The Alderney delegation also asked for clarification of the Guernsey economic policy towards Alderney and asked the President CfED to reconsider his announcement in the light of their representations and a possible contribution for support to the Alderney Southampton link from Alderney's own resources.*

*The President CfED agreed to ask his committee to consider these issues before making a final decision.*

*Finally, I want to add some views of my own and those other States Members that met with the President of the CfED on 25<sup>th</sup> October:*

- *that, had the recommendations of the November 2015 Scrutiny Committee or the recommendations of the Aurigny Review, been expeditiously acted on, it might not have been necessary to have discussed these proposed policy changes on that day!*
- *that the rehabilitation of the runway cannot be divorced from other issues*
- *that many in Alderney and on the Review Panel believed that over half of Aurigny's losses on the Alderney routes were due to Aurigny inefficiencies – and if Aurigny wish to dispute this belief, the public need to be given proper access to their financial records.*

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

**Meeting Closed: 1830hrs**

**Issued: 17<sup>th</sup> November 2017**