



OFFICIAL REPORT

OF THE

STATES OF THE

ISLAND OF ALDERNEY

HANSARD

The Court House, Alderney, Wednesday, 12th October 2022

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

Volume 10, No. 11

Present:

Mr William Tate, President

Members

Mr Bill Abel

Mr Ian Carter

Mr Kevin Gentle

Mr Christian Harris

Mr Boyd Kelly

Mrs Lin Maurice

Mr Graham McKinley OBE

Mr Alexander Snowdon

The Greffier

Mr David Knight

Business transacted

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States of Alderney

The States met at 2.30 p.m.

[THE PRESIDENT *in the Chair*]

PRAYERS

The Greffier

ROLL CALL

The Greffier

The Greffier: Mr Chairman, Members are correct, the Meeting is constituted for the purposes of today's Items.

5 **The President:** Thank you very much indeed, Mr Greffier.

Welcome to the Lieutenant-Governor

The President: Before we actually proceed to deal with the business of the day, as always, may I say what a pleasure it is to welcome His Excellency the Lieutenant-Governor.

Welcome to new States Member, Mrs Lin Maurice

10 **The President:** Secondly, what a pleasure it is to welcome Mrs Lin Maurice who was elected to the States following the recent by-election. This is not the first time she has taken one of these seats and I am sure she will bring her experience to bear.

Passing of former States Member, Mr Colin Williams

The President: Thirdly, some rather sad news that we have recently lost Mr Colin Williams. It is customary for some words to be said in the States Meeting, but I understand the family have made it very clear that he wanted absolutely no fuss at all, and I respect that.

Billet d'État for Wednesday, 12th October 2022

I. Chief Pleas – Two Chief Pleas received

Item I.

1. From Mr James Dent, on the subject of Alderney's Ageing Population

2. From Mr Nigel Dupont, on the subject of FAB Link and the outstanding loan owed by ARE to ACRE

15 **The President:** Mr Greffier, can we now please move to Item I.

The Greffier: Yes, Mr President. Item I is Chief Pleas, which was deferred from our last Meeting on 14th September. We have two Chief Pleas, firstly from Mr Dent and following that a Chief Plea from Mr Dupont.

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The President: Thank you.

Mr Dent, would you like to come up to the Bar please?

Mr Dent: Thank you.

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Your Excellency, Mr President, my name is James Dent and I am making this Plea as an individual elector in the normal way. However, I am also a director for the Royal Connaught Residential Care Home and I know my board colleagues are of the same views because they have told me so.

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The Connaught, as I hope you all know, is a charity and the States' purpose in owning the business is indisputably the pursuit of a very important social good. The board consequently understands that not only are they responsible for caring for vulnerable adults but also that they have a duty to communicate to wider stakeholders the care needs of their clients, both those now in care and those who will potentially need care in the future. And who are the most important stakeholders? They are not you, they are Islanders over 60 thinking about their prospects in later life or Islanders with elderly loved ones wanting to know they can be properly cared for should they need it.

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In 2018, Dr Brink's Alderney's Joint Strategic Needs Assessment made a number of recommendations for action to prevent a crisis. These included new sheltered accommodation for clients, accommodation for care home staff and more comprehensive at-home care packages. In 2021, with the duty for communication in mind, Liz Bowskill, Operations Manager at the Connaught, wrote a paper. It was entitled, 'The Impacts of Alderney's Ageing Population.' Ms Bowskill updated this paper in February this year. You as States Members have been given both versions and I hope read them. My paper has however received wide publicity and the States have yet to comment publically.

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I need now to remind you very briefly of three points in these papers. Firstly, Alderney is being overwhelmed by a rapidly growing cohort of elderly and potentially vulnerable adults. Last year, 29% of our population was 70 or more years old, up from 24% in 2016, an about 5% increase in as many years. Secondly, there are 222 people, over 10% of our population, in the 70-to-74-years-old age group. Clearly many of these may soon be requiring care home services. And thirdly, incomers now over the age of 60 who have been here 10 or fewer years, now constitute one in 16 of our population. These individuals, although mostly now paying social security contributions,

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have done this for much fewer years than most of our other residents. Many in this group have retired here well beyond the peak of their wage-earning careers.

55 The Connaught has been 100% full for a number of months. Most worryingly, there is already a substantial waiting list. This will of course reduce but will *not* disappear when the new wing, now nearing completion, opens. Thereafter the waiting list will inevitably and rapidly regrow. The Connaught also has severe staff recruitment problems, exacerbated by an acute shortage of on-Island accommodation. Unless solved, this could delay the opening of the new wing. The mini-property boom, unforeseen in 2018, fuelled by Guernsey and UK residents – mainly people
60 over 65 – is, of course, further reducing the housing stock available for key workers.

The Connaught *tries* and now *needs* to keep people in their own homes for as long as possible and month on month, as more people who would previously have been admitted earlier to the Connaught are receiving at-home care, these community care packages increase in complexity.

65 Dr Brink's 2018 recommendations must be implemented immediately. But also now needed are bonds, insurance policies for elderly new Alderney residents and free at-home care, as in Guernsey, though with costs divided between the States of Alderney and the States of Guernsey in a manner that benefits both islands. By keeping people longer in their own homes this should actually save money for both States.

70 And now to some recent events. On 11th August the Connaught board requested the CEO to place the recently updated version of their managers paper on the States of Alderney website. The Connaught received no reply. On 9th September, just a few days before the intended September States Meeting, I was pleased to hear that the Chairman of P&F had agreed it could be published. He also agreed there would be a press release. Four days later I was however saddened to hear that this decision had been reversed. This, I was told, was because the paper had not been
75 validated.

I do not believe that this could have been his decision. Why? Because the public might conclude that he believed the Connaught was delivering fake news and I firmly believe this is not the Chairman's position. So let me assure everyone the data came from a highly reputable source, the Alderney Electronic Census Report, but indeed, this was stated on the paper. The analysis was
80 moreover assisted by research officers at Guernsey's own Data and Analysis department. So I truly hope that everyone can accept its validity. Indeed, *Channel TV* had no trouble in accepting this validity for their programme on Thursday, 29th September.

85 As you are probably aware, the report has now been placed on the Connaught's own website. Those interested should go to the section marked 'BLOG'. The public therefore does now have access to it, can read it for themselves and can come to their own conclusions.

90 My requests to you this afternoon are simple: please can the States ensure that there is real and now rapid action on the points being made. Please can the States ensure that there is co-operation with both Guernsey's Health & Social Care and Guernsey's Employment & Social Security Departments and ensure that feed from the Connaught will be welcomed. Please can the States ensure that timelines for action are agreed and the public are made aware of these timelines and please can the States reconsider its decision not to upload the paper on to the States of Alderney website.

95 Finally, I would now remind the Meeting that Connaught is wholly owned by the States. We are always grateful for support given in the past and indeed for that which is continuing. And please note that the staff and everyone on the board up the Connaught are here to help.

Thank you.

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

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

In my Chief Plea I have several questions I would like to ask States Members in connection with the announcement in July 2022 by FAB Link that it is no longer coming via Alderney and also the

105 outstanding loan of £1.4 million which is owed by ARE to ACRE. What is being done in order to
recover the £1.4 million owed to ACRE by ARE, which I understand fell due at the end of 2021?
Surely we are not waiting for the France-Britain link to go ahead on the off chance that we might
get paid then if that ever happens, thereby letting ARE off the hook, yet again?

110 The FAB Link project has now officially come to nothing in Alderney. In my view this is a great
result, given all the division and heartache caused and the fact that the owner was due to suffer
huge upheaval for a pittance of ground rent and yet we would have seen the major shareholders
make personal fortunes off the back of a resource that was not theirs to profit from.

115 Yes, ARE initially paid rent for this resource, but once its funding was secured it stopped paying,
hence the debt of £1.4 million. If it survives, France-Britain link will not involve Alderney but it
must be acknowledged that in order to deal with the FAB Link option agreement and all that
involved, the Island was forced to incur huge costs employing the services of ACRE, PwC, the
Guernsey Law Officers and the Civil Service. Obviously these services were essential to protect the
interests of the Island but it means that a considerable, larger sum than the £1.4 million should
be due to Alderney.

120 Is consideration therefore being given to this fact and compensation being sought on top of
the £1.4 million debt? The £1.4 million plus any interest and cost is a considerable amount of
money, which could be put to good use on the Island, perhaps building much-needed homes for
local people and critical workers.

125 What happens now with the option agreement between FAB Link and the States of Alderney
signed in October 2015? Is it still in place and if so can it now be revoked or terminated; and has
termination of the agreement been requested by the States of Alderney? I have heard that there
is an end date for the option agreement. Could he confirm this is the case and if so what the end
date is? Given that very little information is in the public domain because it is commercially
sensitive, could you at least advise whether States Members voted to proceed with recovering the
debt from ARE? If so, why has nothing happened yet?

130 I understand the debt has to be recovered by ACRE rather than the States of Alderney. Can you
explain the process that has to happen in order to get the ball rolling? Does ACRE have to recruit
commissioners in order for the debt recovery process to begin? How can a company that owes
ACRE/States of Alderney such a large amount of money be allowed to default with no
consequences? If a private person owed that kind of money they would not be allowed to get
135 away with it and would be taken to court. What kind of message does this send out to the other
would-be exploiters of the Island and its Government?

140 If the situation is allowed to drag on and on, there may well be no money to recover. We
already know that ARE have given or sold part of its shareholdings in FAB Link to Transmission
Investment, who now own 55% of FAB Link. ARE is in debt to ACRE for £1.4 million. Therefore, do
questions not need to be asked about any financial gain ARE received for the 5% shareholding that
was transferred to Transmission Investment and if it was right or proper that ARE did this whilst
being in debt to ACRE. In recovering this debt, should the States of Alderney not be requesting the
financial information pertaining to the shareholding of ARE in FAB Link, the financial deal of the
transfer of 5% shareholdings and the value to these shareholdings now?

145 I would like to ask that all the points I have raised are investigated and a response to my Chief
Plea be given to me in writing as soon as possible.

Thank you very much for your time.

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

**Convenor's Report of the People's Meeting
held on 5th October 2022**

150 **The President:** Mr Harris, before we move on to the next Item, could you just give us please the details of the attendance at the People's Meeting last week?

Mr Harris: Your Excellency, Mr President, fellow States Members, the Convenor was myself, Mr Harris. I was assisted by the Chief Executive and the Head of Finance. There were seven States
155 Members, excluding the Convenor, in attendance, 19 members of the public, two members of the press, two members of staff and yourself, the President. Apologies were received from Ms Burgess.

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

**II. The Beneficial Ownership and Companies (Amendment) (Alderney) Law, 2022
(Commencement) Ordinance, 2022 –
Item approved**

Item II.

The States of Alderney is asked to approve "The Beneficial Ownership and Companies (Amendment) (Alderney) Law, 2022 (Commencement) Ordinance, 2022".

160 **The President:** Now, let's move on to Item II please, Mr Greffier.

The Greffier read out Item II.

The Greffier: This is proposed by Mr Carter and seconded by Mr Harris.

The President: Thank you.
Were there any comments at the People's Meeting?

165 **Mr Harris:** There were no comments on this Item, thank you.

The President: Thank you very much indeed.

170 Mr Carter, you are proposing this Item but there is a matter which I think we can deal with before you explain the background and that is the date upon which the Ordinance will come into effect. It was originally intended that this Ordinance would be before the States in September of this year, with a start date of 15th September, but unfortunately we were unable to deal with it on that occasion because we were in a period of national mourning and so it was deferred until today.

175 A further draft Ordinance has been prepared in which the date is now to be 13th October for commencement. Rather than go through the amendment process, I think I can say that the principle of *de minimis* applies here in that the amendment does not really affect the basis of the Proposition and it is simply changing the date upon which it comes into effect. So I am satisfied that we can do that without a strict amendment.

180 **Mr Carter:** Thank you very much for that, sir, because that would make life a lot easier.

The President: Thank you very much indeed. And so now if you would care to open the Item.

185 **Mr Carter:** Thank you very much.

Members, this Commencement Ordinance will enable the Beneficial Ownership of Companies legislation, which was passed on March 16th, to come into law. What this enables the States to do now, or the Registrar in particular, is a greater degree of scrutiny over those companies that are on the register. These amendments give the Registrar specific functions with regard to information-gathering powers and they reflect the amendments that have been made to the Guernsey law for commercial laws for legal persons to ensure there is consistency across the Bailiwick with regard to the legal framework.

195 Those information-gathering powers for the Registrar under the Alderney Companies Law are currently fairly limited and so this, in effect, gives greater oversight and from the perspective of the Moneyval evaluation that will be taking place in 2024, that will enable us to play our part in, I hope, a successful Moneyval evaluation.

So Members, I would ask you to support the commencement of this Law.

200 **The President:** Thank you very much indeed. Anything to add, Mr Harris?

Mr Harris: No, thank you, sir, but I am happy to second.

The President: Thank you very much indeed.

205 Would anybody like to speak on this Item? That being the case, can I assume that everybody is in agreement?

Thank you.

The Greffier: Thank you. That is passed.

III. The Animal Health (Infected Area) (Avian Influenza) (Alderney) Order 2022 – Item annulled

Item III.

The States of Alderney is asked not to annul “The Animal Health (Infected Area) (Avian Influenza) (Alderney) Order, 2022”

The Greffier read out Item III.

210 **The Greffier:** Proposed by Mr Kelly, it was to be seconded by Ms Burgess. However, Mr Gentle, in her absence, has agreed to take on that task.

The President: Thank you very much indeed.

Mr Harris, the People’s Meeting, did anybody make a comment on this one?

215 **Mr Harris:** Thank you, sir, Your Excellency, fellow Members.

It was noted that Ms Burgess would not be present to second this Item at the States Meeting and the following points were raised regarding this Item. The regulation is still considered as being disproportionate. Chickens are not the source of the disease and the States are encouraged to annul the regulation. Mr Kelly responded that the States of Alderney acted upon the advice of the States Vet and that he considers that the threat is still viable to our Island birds because of the feral flocks of chickens and wild fowl on the Island.

220 It was stated that there are feral flocks of racing pigeons on the Island that pose a risk and should be dealt with. Mr Kelly advised States Works would be notified.

Thank you.

225 **The President:** Thank you very much indeed.
Now, Mr Kelly, you are to propose this Item.

Mr Kelly: I am indeed, sir.

230 **The President:** And again, Mr Gentle, just for the purposes of the record, you are seconding this? (**Mr Gentle:** Yes, sir.) Thank you.

Mr Kelly: Yes, sir, I propose this, but you are aware I shall be putting in an amendment.

235 **The President:** Yes, you very kindly gave me advanced notice of that and I am, in the circumstances, prepared to waive the provisions of Rule 7 because, again, this is a matter which could have been dealt with at the last Meeting but was not for the same reasons. So I assume you are quite happy to second that amendment? (**Mr Gentle:** Yes, sir.) So if you would now tell us what that amendment would be and the reason for it?

240 **Mr Kelly:** Yes, sir.

The States is asked to annul the Animal Health (Infected Area) (Avian Influenza) (Alderney) Order, 2022. Members will be aware that over the summer months a large number of wild birds nesting in and around our Island died from avian influenza and it was on 22nd August this year, following an outbreak of avian flu in a backyard flock on the Island and acting on the advice of the States Veterinary Officer, the General Services Committee resolved that we considered that there was a serious threat to animal health and made an Order restricting the movement of animals susceptible to the disease.

245 The enabling legislation for that Order requires that such an Order be reviewed by the States and hence the original proposition not to annul. However, following further advice from the States Vet that was received on Monday, that the threat to the Island's domestic birds has receded considerably and that the Order is no longer required, I am asking Members to annul the Order.

255 Finally, I would like to take the opportunity to thank Mrs Kissick of the Alderney Animal Welfare Society for her help and assistance in this matter, the members of the States Works Department and Alderney Wildlife Trust for their assistance in dealing with the dead birds and finally, last but not least, the States Vet for his continued advice that I and the Committee have been receiving over the months.

Thank you.

Amendment:

The States of Alderney is asked to annul "The Animal Health (Infected Area) (Avian Influenza) (Alderney) Order, 2022"

260 **The President:** Thank you, Mr Kelly.

Now, you are happy to second the amendment. Do you have anything to add?

Mr Gentle: No, sir, apart from, after two years of not annulling all the way through COVID, it is a pleasure to second something where we annul it.

Thank you.

265 **The President:** Noted. Does anybody wish to speak on the amendment?

Then the amendment is carried. Do you have anything to add, Mr Kelly, about why this amended Proposition should be carried?

270 **Mr Kelly:** No, sir. I summed up the reason in my speech.

The President: Thank you.

Mr Gentle: Nothing to add, thank you, sir.

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The President: Does anybody wish to speak on this? Then the amended Proposition with the word 'not' deleted will be passed.

The Greffier: So marked, Mr President.

**IV. The Matrimonial Causes (Bailiwick of Guernsey) Law 2022 –
Item approved**

Item IV.

The States of Alderney is asked to approve "The Matrimonial Causes (Bailiwick of Guernsey) Law, 2022" and to authorise the Bailiff to present a most humble petition to His Majesty praying for His Royal Sanction thereto.

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The Greffier: Item IV, the Matrimonial Causes (Bailiwick of Guernsey) Law, 2022, deferred again from our Meeting of 14th September this year. The States of Alderney is asked to approve the Matrimonial Causes (Bailiwick of Guernsey) Law, 2022 and to authorise the Bailiff to present a most humble petition to Her Majesty, which now will read to *His Majesty*, praying for His Royal Sanction thereto.

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Proposed by Mr Carter, seconded by Mr Snowdon.

The President: Thank you.
Anything at the People's Meeting, Mr Harris?

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Mr Harris: There were no comments, sir.
Thank you.

The President: Thank you very much indeed
A more straightforward one for you, Mr Carter.

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Mr Carter: I believe so. This piece of legislation comes to us from the Bailiff's Chambers after consideration by the P&R Committee, in policy letters of 2019 and subsequent updating in 2022 on the reform of the Matrimonial Causes Law.

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In essence, sir, there are two aspects to this proposal. The first is that there is reform of the law relating to divorce, annulment and mutual separation where the focus is to simplify, modernise and also to make it more inclusive and, most importantly, to reduce conflict where possible. So the key point here is to remove the concept of 'fault' as a basis on which to grant divorce. Currently that would not assist parties ending a marriage amicably. As a result, consequential legislation in Alderney, the Alderney Separation, Maintenance and Affiliation Proceedings (Alderney) Law, 1964, will now change as a result.

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The second aspect of this Law is to remove delay in the system and the processes involved, particularly where children are involved, so that the child is at the centre of the issue and not just simply perhaps viewed as a chattel of either parent. So the current law of establishing fault can cause unintended consequences to children and as a result this Law will now put the child's interests at the centre of proceedings. So I would ask you support this Law, this piece of legislation, as it brings various aspects of matrimonial law into the 21st century and

supports the concept that those circumstances where a child is involved, that they very much are at the centre of the issue.

Thank you.

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The President: Anything to add, Mr Snowdon?

Mr Snowdon: I am happy to second, and if I can reserve my right to speak, if that is okay. Thank you, sir.

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The President: Yes. Does anybody else wish to speak?

Mr Snowdon: If I could use my right then. Thank you, sir.

I just wanted to say I think it is an important step forward. It is very distressing for people, when they are going through divorce, and sometimes the fault thing, I think it escalates the relationship breakdown and then they go into the financial side. So taking this out I think is an important step for those people that are unfortunately going through divorce so they can hopefully deal with their affairs. So this is an important step forward and I think it should be welcomed.

I do think there probably is further work to do regarding the financial settlement to a divorce. That is not really included in what we are talking about today, but I think it is an important step. And hopefully it may ease the pain that those couple go through when they are going through that difficult time of separating, and importantly, as Mr Carter has said, trying to put the children first.

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Thank you.

The President: Thank you very much indeed. Anything to add, Mr Carter?

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Mr Carter: No, nothing, sir.

The President: Thank you very much indeed. Well, given Mr Snowdon's comments, I think we can take it that this is also passed.

Thank you.

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The Greffier: Duly marked.

V. The Bailiwick's further participation in UK Free Trade Agreements – Item approved

Item V.

The States of Alderney is asked to decide whether, after consideration of the Policy Letter entitled "The Bailiwick's Further Participation in UK Free Trade Agreements" dated 19th August 2022, they are of the opinion:-

1. To approve in principle that Alderney should seek to participate in the Comprehensive and Progressive Agreement on Trans-Pacific Partnership ('CPTPP') in accordance with the existing policy baseline (including provisions relating to trade in goods only).

2. To recognise that Guernsey seeks to participate in the CPTPP in its entirety (including provisions relating to trade in goods and to trade in services), which may bring indirect benefits to the wider Bailiwick.

3. To request that Guernsey's Policy & Resources Committee continues to represent Alderney's interests in discussions with the UK in respect of the CPTPP, including the UK seeking to agree a position that would enable the CPTPP to be fully extended to Alderney, if the circumstances permit at a future time.

4. To authorise Guernsey's Policy & Resources Committee to finalise negotiations and agree to the terms of Alderney's participation in the CPTPP (or relevant provisions of the CPTPP), and to signal such agreement to HM Government in the UK.

5. To endorse the process and approach outlined in this Policy Letter regarding Alderney's (and the wider Bailiwick's) participation in UK FTAs (or other trade arrangements).

6. To authorise Guernsey's Policy & Resources Committee, on behalf of Alderney where relevant, to negotiate and agree to the Bailiwick's participation in UK FTAs (or other trade arrangements), or relevant provisions of them, in accordance with any policy baselines approved by the States of Alderney in relation to Alderney, and to signal such agreement to HM Government in the UK.

7. To agree that there shall be implemented such measures (including legislative measures) as the Policy & Finance Committee, in consultation with Guernsey's Policy & Resources Committee, thinks fit for the purpose of ensuring that Alderney may comply and remain in compliance with obligations that arise from participation in any UK FTA (or other trade arrangement).

8. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

The Greffier: Item V is the Bailiwick's further participation in UK free trade agreements, deferred from the Meeting of 14th September this year. The States of Alderney is asked to decide whether after consideration of the Policy Letter entitled 'The Bailiwick's Further Participation in UK Free Trade Agreements' dated 19th August 2022, they are of the opinion, and there are eight

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Items with regard to this matter that are listed in the Billet that the States are to consider. This matter is proposed by Mr Carter and seconded by Mr Harris.

The President: Any comments from the People's Meeting, Mr Harris?

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Mr Harris: Thank you, sir.

There was a question raised as to whether this applied to both goods and services. The CEO advised that it sets out both. There were no further comments received after that.

The President: Thank you very much indeed.

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Mr Carter.

Mr Carter: Thank you.

Members, Lieutenant-Governor, President, this is a procedural piece of legislation to enable Alderney, really under the wing of Guernsey, to take advantage of new opportunities that have been developed through the UK while it develops free trade agreements with a range of further countries. Specifically with this one it is the Comprehensive and Progressive Agreement on Trans-Pacific Partnership.

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370 Effectively there are two aspects to this. One is with regard to goods and services. For the time
being, Alderney's position regarding goods is secured under the Agreement and in time, if
necessary, services may also be included if the relevant compliance standards can be met. Hence
we as a jurisdiction have the benefits of the Agreement and representation by Guernsey to the
UK and to those further partners. That reduces the potential for unintended divergence amongst
375 the three jurisdictions in the Bailiwick and does not place unreasonable demands on Alderney
businesses or the Civil Service here in administering the Agreement. The key point here is in
working together with Guernsey we are benefiting from their expertise in this matter.

You will see that there are a wide range of questions being asked to this, 1 to 8, as the Greffier
has said, asking us to endorse. Each aspect is interlinked and cannot effectively be decoupled,
otherwise the potential for participation in free trade agreements like this one would disappear.

380 So I would ask you thus to support all eight statements which allow the States of Guernsey to
take forward on our behalf the process of engagement and agreement of the CPTPP free trade
agreement for goods and in time to allow the agreement to extend it to Alderney on behalf of us
regarding services as is necessary.

I would commend this to you all. Thank you.

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The President: Thank you.

Mr Gentle, are you seconding this? No, Mr Harris.

Mr Harris: Thank you, sir, happy to second.

390 It seems clear to me that this will be of long-term benefit to all economies in the Bailiwick of
Guernsey, of which we are a part, of course, so I am happy to second.

Thank you.

The President: Thank you very much indeed.

395 Would anybody wish to speak on this Item?

Mrs Maurice.

Mrs Maurice: I would like to ask if anybody knows, will we be getting ships coming in either via
England or Guernsey to deliver these free trade goods?

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The President: Well, Mr Carter can consider answering that when I have seen whether anybody
else wishes to speak, thank you.

Anybody else? Then Mr Carter.

405 **Mr Carter:** I think given it is an agreement with what is the trans-Pacific area, so that is South
America, South Africa, the US, I do not think we are going to see any boats. (**Mrs Maurice:** No.) So
it is very definitely under Guernsey's umbrella specifically an agreement for goods and services as
per any other goods or service that comes into the Bailiwick.

410 **The President:** Thank you.

Now, in terms of the resolutions, as we have seen, there are eight. I would propose to deal
with them all at the same time, unless anybody has any observations to the contrary? So we can
assume that they find favour with all of you.

Thank you.

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The Greffier: Marked as passed.

**VI. Budget Report 2023 and revised Budgets 2022 –
Item approved**

Item VI.

After consideration of the Budget Report, the States of Alderney is asked to:-

- a) Note the States of Alderney Revenue and Capital Revised Budgets for 2022,*
- b) Approve that Fuel Duty rates will be kept consistent with the States of Guernsey rate for 2023 as agreed by Policy and Finance Committee on 25 July 2022,*
- c) Approve no increase to rates of Document Duty and Congé in 2023 as agreed by Policy and Finance Committee on 25 July 2022,*
- d) Approve an increase of 9% to all Alderney Property Tax tariffs except Utilities providers for the year of charge 2023,*
- e) Approve the States of Alderney Revenue and Capital Budgets for 2023,*
- f) Note the States of Alderney Water Board Revenue and Capital Revised Budgets for 2022,*
- g) Approve no increase to Water Rates for 2023,*
- h) Approve the States of Alderney Water Board Revenue and Capital Budgets for 2023.*

The Greffier read out Item VI.

The President: Mr Harris, I understand there were quite some comments at the People's Meeting.

420 **Mr Harris:** Thank you, sir; there were plenty.

The following questions were raised on this Item. Given the large numbers of underused properties on Island, the shortage of housing – particularly for key workers – and the ability of the States to set new charge rates for various categories of properties, why has the Budget ignored the increased revenue and other benefits that might have been realised from increasing the fiscal returns from properties that are unoccupied or little used? If nothing else this would have reduced the need to increase APT at the rates now proposed.

425
The Convenor advised that as part of the Budget recommendations, the Policy and Finance Committee have agreed to explore other long-term revenue streams during 2023 and this includes, but is not limited to, ways to encourage best utilisation of the Island's limited housing stock. In practical terms, it is more likely that the benefits of the outcomes from these investigations will not be realised until 2024 and beyond.

430
It was stated that the Budget did not give any information on the use of consultants, and the contributor queried how many were being used by the States, what their roles and responsibilities are, what the appointment process is, where the posts are advertised, who authorises the positions, and what the cost is to the taxpayer?

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It was queried who carried out the review of the Economic Development Fund projects and objectives mentioned in paragraph 2 of the Budget Report and what was the result?

It was also queried whether the ferry subsidy agreement which was terminated by mutual consent in late September ... whether this been reissued to the new ferry service. The Convenor advised that the matter was under discussion.

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It was queried whether consideration has been given on the Ambulance Service reverting back to the same model as in Guernsey, where there is a mixed funding model combining a Government grant with a subscription scheme and fees and charges. The Convenor advised that all options are being considered.

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It was queried whether a breakdown of staff costs could be provided, given that costs under Policy and Finance Committee administration staff have increased by £44,000 in 2022, in part due to the Welcome Team costs.

A contributor queried what the new posts identified by the Chief Executive were which have increased the administration staff costs by £120,000 in 2023 and whether this demonstrates value

450 for money to the taxpayer. The Chief Executive advised that as part of the task to resolve capability and capacity issues within the Civil Service. This matter has been discussed with the assistance of States of Guernsey HR and the expertise that is needed will be provided in the new roles. Further written answers are to be provided to the contributor.

It was queried why the Civil Service in Alderney was increasing when the States of Guernsey were reducing their number of civil servants, which is not the correct message to be putting out. The Chief Executive advised that the States of Guernsey are fully aware of what is being proposed.

A contributor stated that Alderney is not fit to manage its own taxes, and given the 9% increase in Alderney Property Tax, it is being used as a lever to control a budget overspend. The Convenor advised that all options were being considered for next year.

460 A contributor stated that if second homeowners are being singled out with the increased rates and the Building and Development Control Committee are suggesting that charges are introduced for a change of use should they wish to rent out their properties, it would be detrimental to the Island. These second homeowners need more incentives and assistance to ensure there is a balance. The Convenor advised that the Island required a vibrant working population with stable rental accommodation for full-time residents, which is not restricted to certain periods of the year, and he agreed that a balance is required.

465 It was queried whether the £200,000 allocated for an extension to the existing pontoon extension in the Capital programme will be spent and whether this will be in place for harbour users for next season? Mr Kelly, Chair of GSC, advised that at the recent GSC meeting a report on this matter was considered and confirmed that works were to commence to provide a safe landing platform for passengers in time for next season.

470 It was queried when the Harbour Redevelopment Plan will be made available. Mr Kelly advised that expressions of interest had been received from developers, but due to the withdrawal of the marina project by the project developers, this has delayed the process as this proposal is now to be included in any proposed developments in this area. The States of Guernsey are working together with the States of Alderney on this and carrying out the due diligence on the developers who have registered an interest in the development of this area. It was noted that this is commercially sensitive at this time.

475 It was queried what the timeframe funding allocation in the Capital programme is for sheltered housing and whether land for this has been identified. It was also queried in which areas works will be carried out for coastal erosion in 2023 at a cost of £120,000. The Head of Finance advised areas included Crabby, Corblets wall and other general smaller projects. The contributor further queried what sewerage projects will be carried out in 2023 at a budget of £110,000. Mr Kelly again advised that this will be Le Val combined sewer, which is additional requirements due to the new care home extension, Longis sewer and outfall extension, as well as minor pump station improvements.

485 It was queried what the increase in expenditure in the Tourism and Marketing budget was for. The Head of Finance advised that this is related to enhanced digital marketing and website hosting support, which is partially offset by savings on printed brochure production as the 2022 brochure will be again utilised in 2023.

490 It was queried what the actual area of the Braye Harbour development area is which is being proposed to be developed. The Chief Executive advised that it was the whole of the area that is defined in the Land Use Plan, and proposals will cover all sorts of projects for the benefit of the Island and not necessarily taking in the whole of the area.

495 It was stated that there is nothing in the Budget regarding costs associated to the Biodiversity Strategy and it was queried what the budgeted costs were. Mr Kelly, Chairman of the General Services Committee, advised that the only cost to date was the cost of printing of the strategy and staff time to copy the document. The contributor clarified that the question was what the costs would be to the Island for the delivery of the strategy. Mr Kelly advised that the strategy will be put before the States for a decision in January 2023, once a new General Services Committee has

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been formed and the delivery of the strategy will not cost more than the cost of the States Works Department now to carry out its agricultural duties.

505 It was queried why the summary of budget no longer mentions numismatic and philatelic profits and the Budget Report states that in 2023 a new contractual arrangement will be in place, however, there has not been a press release or announcement on the contract details. The Convenor advised that there was a tender process and that the States accepted the best financial offer that was available at the time. It was further advised that the contract details were commercially sensitive.

510 It was queried who will be funding the Alderney Wildlife Trust post being advertising for an ecologist to carry out biodiversity work at £26,000 per annum. The Head of Finance advised that there was nothing allocated in the States of Alderney Budget towards this cost.

515 A contributor stated that the Tourism and Marketing digital campaign was not relevant to the age groups that are visiting the Island, so why is so much being spent on this. They continued that there was no physical presence regarding advertising at Guernsey Airport arrivals or in the Aurigny on-board magazine to promote Alderney. Full Alderney presence should be seen in the Bailiwick and the Convenor agreed to raise this with Visit Alderney.

It was stated that the Building and Development Control Committee costs for 2022-23 in comparison to 2021 have increased substantially, therefore should planning fees not be reviewed to be more appropriate?

520 It was queried whether there were any plans to utilise the voluntary on-Island ambulance workers in the future and is there the budget for training these persons? The Chief Executive advised that it is proposed to make better use of its on-Island resources in conjunction with and the support of the new model.

525 It was queried that court costs for 2023 had increased significantly compared to 2021 and what has caused this? It was also queried if Land Registry costs and company registration costs are being considered jointly with Guernsey, especially with the Moneyval audit on the horizon. The Head of Finance advised that the extra costs were due to an extra member of staff which had been vacant for six months and the costs associated with the new Land Registry hosting.

530 It was queried whether there was a States organisational chart. Mr Carter, Chairman of the Policy and Finance Committee, advised that this had now been completed but that it was not yet on the States website.

535 It was queried why another Harbourmaster would be appointed and why a lower ranking officer could not be promoted from within. Mr Kelly advised that three officers were required for watch-keeping duties, otherwise they would be working extended hours over extended periods and that is not safe, nor sustainable. One of these would need to be in charge and the current situation cannot continue *ad infinitum*. It was noted that the advertisement for a Harbourmaster will be going out shortly on Island.

540 It was queried why the museum grant was cancelled. The Head of Finance advised that there is standard criteria for all grant applications and should any organisation wish to apply for a grant, and which they then qualify under the criteria, they may receive funding support.

It was queried what the sales of assets were mentioned in the Budget of £169,500. The Head of Finance advised that those figures related to sales in 2021 and that there are no asset sales budgeted for this year or in 2023.

545 It was queried what was the baseline rate for inflation increases used. The Head of Finance advised that it was 7% for quarter 3 and quarter 4 of 2022 and 10% for 2023.

550 And I do apologise, I have just missed a little bit out here: it was also advised that a visit to the Island of officers to assess a property that involved very little cadastre charge to the property was not a good use of resource and funds. Mr Carter advised that cadastre charges are not an Alderney charge but a Guernsey one and that this matter would be raised with Guernsey under the 'Working Together' initiative.

That is it, sir. Thank you.

The President: Thank you very much indeed for that comprehensive explanation.
Mr Carter, now over to you.

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Mr Carter: Thank you, sir.

Members, Lieutenant-Governor, Mr President, this is the first time I have been in the position of proposing the States of Alderney Budget and it is not a wholly comfortable position to be in given the messages that I have to deliver. The Budget documentation has been issued as part of this Billet and I do not propose to recite it, but I will give some of the key messages that it contains. There is both good and bad news.

In terms of good news, there were unexpectedly higher Property Transfer duties that came in through our revenue account, and this has been due to more house and land purchases than were predicted, though this is now slowing down and cannot be seen as a permanent change.

565 Equally, the Island has been confronted by an unexpected financial difficulty regarding health provision, which we have never faced before and which needed to be dealt with and solved immediately. Hence also the need for future planning for this same issue. This will come at a cost.

In respect of 2023, operational costs are budgeted to increase by £1.18 million compared to the 2022 budget and compared by £499,000 compared to the revised budget. Those financial pressures relate to health provision on the Island and they are expected to continue as services develop, though one would look at this as being the upper figure and the worst-case scenario.

570 Alongside this, further pressures are forecast due to the impact of higher inflation across all supplies and services. Contractual pay agreements are now known for 2022 and 2023 with regard to established staff. These equate to 5% in 2022 and 7% in 2023, and this has been factored into the Budget. Additionally, a provisional increase for public service employees has been made, pending the outcome of their pay discussions, an unknown.

580 It is also anticipated that the level of Property Transfer Duties will reduce compared with those levels encountered in 2021-22. Whilst this has required a recommendation for an increase in APT, the previous year's exceptional income from those Property Transfer Duties has meant that the burden on the community can be lessened through a one-off use of reserves to avoid passing on this burden to the community in this coming year, 2023. In total, this will require a total draw on reserves in the region of £533,000. However, the Policy and Finance Committee recognises that this is not sustainable and therefore other mechanisms for addressing any future shortfalls must be considered.

585 The Capital programme is mainly funded by Alderney Gambling Control Commission surpluses, together with locally raised income from asset sales. The gross distributions for 2023 is expected to be in the region of £2.2 million, an increase in the expected gross income from 2022. Transfers to meet the operational cost of Alderney eGambling Ltd and a contribution to the Economic Development Reserve Fund will be made from this funding. It is also important to note that there is no cash allocation received from the States of Guernsey in respect of capital funding.

590 Agreed as part of the Budget strategy earlier this year was the reserve strategy, to ensure that at least 3% was put away as reserves or approximately £100,000. That, however, was not to be taken up this year given the pressures on our Budget and that we had actually achieved our target minimum of £850,000 due to those windfall revenues in 2021 and 2022.

595 Going on to the less good news with regard to Alderney Property Tax, an increase of 9% is included to all APT tariffs, excluding utility providers, to mitigate the impact of inflationary increases in 2023. This was agreed by majority at the September Policy and Finance Committee meeting. In view of the current inflationary pressures, the Committee considered that this increase could be justified with other mitigating factors taking place to recover the majority of the budgeted deficit in 2023.

600 Fuel Duty: a revised forecast of £440,000 has been included for 2022 based on the income to date. Effectively the Budget strategy here is to keep in line with the States of Guernsey Fuel Duty rates. Document duty and Congé charge, we felt that at this moment we would not address in terms of change.

605 Good news comes though via the Water Board, where their revenue account is expected to
raise £740,000 from rates and charges, which will cover operating costs, with a small surplus
towards reserves. No increase in water rates is being recommended for 2023, which is the second
610 year that this has been able to be achieved. The Water Board capital programme continues
successfully, which has been mainly funded by the capital grants of the States of Alderney,
amounting to approximately £3 million since 2008. Following a review last year, the funding model
will change with effect from 2023, with the Water Board taking on responsibility for its own
projects through its own reserves.

I would like to thank the Treasury team, headed by Liz Morris, and Stephen Taylor, our chief
615 finance adviser, in their help and advice in creating this Budget, and also the myriad of Guernsey
civil servants who have supported our team in Alderney in dealing with the financial planning
challenges that face us with regard to the health provision that we have now to supply. Likewise
Mr Harris, as Chair of the Finance Committee, who has chaired that Committee through some
quite difficult meetings over the last year.

This Budget Report highlights the issues presented throughout the year that we as a small
620 Island have tackled as best as we can, and continue to do so with a focus of making sure that the
care for our population is at the top of our list. Whilst I regret the Budget for 2023 does not make
for entirely positive reading, we are acutely aware of the issues that need addressing. We are
doing so in a planned manner, using appropriate advice and guidance and as such can approach
the coming year with a continued sense of determination to safeguard Alderney's future but with
625 a proviso that Alderney is a very small jurisdiction in a very large economic and geopolitical scene,
whose character can change very quickly, as we have also found this year.

The Budget proposals now fall into a series of discreet statements either for noting or approval
and I will commend Members to support this series of Budget statements.

Thank you.

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The President: Thank you, Mr Carter.

Mr Harris, you are going to second this one?

Mr Harris: Happy to second, sir, and I would like to reserve my right to speak.

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Thank you.

The President: By all means.

Who would like to speak on this Item? No, Mr Harris then, do you wish to speak?

640 **Mr Snowdon:** Sorry, sir, could I ...? (**The President:** Sorry.) If I can speak, if that is okay? Thank
you very much.

Firstly, just turning to this, I want to say thank you to Mr Harris because this has been an
exceptionally tough year, and as Mr Carter has highlighted, although he tried to make the shock
not too hard for this year, it is going to look quite hard moving forward. So there is quite a lot of
645 work to be done by the new States hopefully.

I think there is some good news in this and that is the gambling income, which for 2023 is
expected to be £2 million, and fantastic work from all the people involved in gambling. I think we
are quite reliant on it so fingers crossed that keeps continuing.

I am, however, concerned. I think this was raised at the People's Meeting regarding the
650 £120,000 allocated by the Chief Executive for 2023, *additional* Civil Service posts identified by the
Chief Executive. My understanding, and I am happy to be absolutely corrected with all of this, is
that 9% on the APT raises £109,000, which is absolutely fantastic if it is going to the medical side
of it and all of that, that is a good use of the money, I would say. But the perception could be that
that is going towards the £120,000 identified by the CEO. I know we have discussed at P&F the
655 need to have more – I think resources is probably the right word to use – resources to implement

things, but I cannot actually remember voting and approving at P&F, unless I unfortunately missed that meeting, I do not think I did; £120,000 for extra which was the cost element.

660 I will be supporting what is in front of us today, but I would really like to highlight to P&F that I think we have to get around the table and have a look at that one again because the situation is far more difficult, as this year has progressed, from maybe those initial conversations that we had back at the start. So I think we really do need to review that situation.

665 I am a little bit ... concerned is probably the right word to use, with the comment that the working group – and the working group for the States of Guernsey and the States of Alderney is myself, Ian Carter, Steve Roberts and I think Bill Abel was there for some time – the whole idea of a working group is to get more efficiencies and actually save money and instead of things being doubled in Guernsey and Alderney is to actually streamline things.

670 My understanding at political level is that it is not to increase our resources on Island or to cost more money; it is actually to do the opposite. It is to try and reduce the cost of things. So I am just a little bit concerned about that comment that was actually saying it was the other way around because that is not correct on a political level. Maybe you have a different idea on the Civil Service level, but it would be wrong to be put on to the political level between the political working group between us and Guernsey.

675 I think we also do have to prioritise our list of what we want to deliver and unfortunately this is happening across governments *everywhere*; that we are going to have cut our cloth because we cannot deliver everything that is needed. We do have to pick on the really essential stuff but sometimes everything feels essential. But if you have not got the money to fund it you do have to prioritise. So I think we need to reprioritise the areas that we need to concentrate on. I think we need to do that quite urgently.

680 So I will be supporting what is in front of us today, but I would also like to highlight that when we reprioritise things I think there needs to be more political lead on what we are actually doing. For instance, I am not really going to get in it too much, but stuff like redoing the gun laws, biodiversity, I know it is not meant to be costing us money, but it does have implications for using our Civil Service time and energy up and those are the things where you have got to put it into the list and say is that top priority? Do we put that right to the top, or how has that come top priority, 685 and the Members should have the direction to say yes, that is or that is not top priority. Sometimes it feels it has been thrust upon us, which is a little bit concerning, but I just wanted to raise that point.

690 With regard to the Cadastre point that I think came up at the People's Meeting, my understanding is that we are fully in charge of the APT. Cadastre, I believe we pay for their services to come over where they measure up bits of property and everything, but they are very much working on our behalf, not for the States of Guernsey's behalf and they are actually charging us for that. But obviously we do need them.

695 Another point I would also like to raise is the Harbourmaster position, which I believe it was said that it is going to be advertised quite soon. Now this comes back to the working group because it is about identifying things and how you can streamline and hopefully get the costs down. It was my understanding that was one of the areas that was going to be looked at; whether there could be more support at the Harbour Office. I think they are doing an absolutely fantastic job down there and it is doing really well, but obviously they need support. But can there be oversight from Guernsey rather than the expense of a full Harbourmaster salary again? And that 700 is the sort of thing that we should be working towards but unfortunately ... I am maybe going a little bit off on that one, but anyway, I will leave that one where it is.

705 Going back to healthcare, I think without Guernsey things would have fallen apart rather rapidly and the amount of time and energy on the political level and Civil Service level has actually strengthened our relationship with Guernsey. I think it is a lot stronger. However, we do have to understand the amount of man hours, sheer man hours, that have been put in to helping us resource has been astronomical from Guernsey, and we really do appreciate the guidance and support they have given us through very challenging times. And this is just a reflection in the

Budget regarding the money side of it. So I think we really do need to thank Guernsey from the Civil Service and political level, particularly P&R, for the amount of support and guidance they have given throughout this.

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I would also like to say thank you to our wonderful Treasury team. I know they have had a bit of a bumpy year with things flying up the whole time, but they do get it all together, they do deliver for us and they do make a fantastic job and very hardworking late nights getting it all together. So thank you to them. But, as I said, I think P&F needs to have some quite strong conversations about how we move forward with things and save money.

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Thank you.

The President: Thank you, Mr Snowdon.
Mr Kelly, I think you were just first.

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Mr Kelly: Thank you, sir.

Your Excellency, Mr President, just a couple of points to make that were raised by Mr Snowdon. Firstly, in relation to the Biodiversity Strategy, I am not sure how many times I can stress this – I suspect I might be stressing it more than once today – but it will *not* cost, it has not cost, the States of Alderney any money.

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Secondly, in relation to the Harbourmaster, as I said in the People's Meeting, we need three watch keepers. We cannot just have two watch keepers, particularly in the summer months when the Harbour Office is open until late. Those watch keepers and harbour officers provide an essential safety service to the Island and to the seafarers around the Island.

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We did, at the behest of the Chief Executive, consider the use of using the Harbourmaster in Guernsey to be our Harbourmaster and this offer was refused by all members of the General Services Committee when we met to discuss it. It was refused because we felt that we still need three watch keepers, so if we had a Harbourmaster in Guernsey that would cost and we would still need a third watch keeper here. So in fact it would cost us more than the current system.

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We are grateful to the Harbourmaster in Guernsey who has provided, and continues to provide, advice to us but that advice is free.

Thank you, sir.

The President: Thank you.
Mr Gentle.

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Mr Gentle: Thank you, sir.

Your Excellency, Mr President, colleagues, back in October 2020, two years ago, I stood here and voted against a 5% rise in APT, and then a month later voted in favour of a 3% rise, when I was made aware that we had to plug the hole in our budget. And now we are being made aware that the hole in 2023 is going to be a bit bigger than that of 2021, so we are being asked to agree a 9% rise.

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Now, we have to be seen to be trying to help ourselves but we must also be very mindful that we are living in a world where inflation, particularly in the Bailiwick, is forecast to hit 8.5% before dropping. The price of oil is almost too expensive for anyone to actually use it, the price of food is going only one way, and it is not down. But at the heart of this APT rise is the need to ensure that the healthcare is paramount and as elected Members we have to do what is right for the people, even when it is seen to be unpopular.

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A tax increase will generate increased revenue for Government but the flip side is that it could well stifle economic growth. Previous governments near to us have gone down the austerity route, but that is not the answer to anybody's problems, because austerity measures have proved to impact on people's health. So it is somewhat ironic that the need to fund healthcare is going to impact on people's pockets, but our fiscal agreement with Guernsey does not say, 'Do what you want and we will pick up the pieces.' I am not one of those who believes that all house owners are

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760 rich. Just because someone owns a house does not mean they can afford to run it. I am also very aware that there is a tenant on a lower wage who will have this passed on to them by the landlord but we need to present the best possible financial improvement budget and, as difficult as this decision is, I will be supporting this.

Very quickly, picking up on Mr Snowden's point about staffing, I would think it advisable for us
765 as Members, if we were to inform members of the Civil Service that possibly delaying start dates of any new post where possible in order to help deliver a financial saving would be recommended.

Thank you, sir.

The President: Thank you very much indeed.

770 Would anybody else like to speak before Mr Harris considers whether he ...? Mr Harris, do you wish to speak?

Mr Harris: Your Excellency, Mr President, fellow Members, firstly I would like to thank my colleagues for their comments and points made, many of which I agree with, so it is great to have
775 that input, particularly Mr Gentle there. That was good.

I recall standing here last year at this time with a positive report which stated, 'We must recognise that the future is always uncertain and that the last couple of years have shown us that anything can change with very little notice.' And here we are this year.

As a small jurisdiction, we are subject to economic pressures outside of our control, such as
780 the effects of war in Europe and changes in UK government economic policy, along with local Bailiwick activities. Therefore, following the positive financial outcomes of the last two years, 2021 and 2022, in part thanks to the rediscovery of Alderney by our Bailiwick friends and subsequent housing boom, together again with our strong fiscal union with Guernsey, it is disappointing that the projected Budget figures for 2023 laid bare several difficulties that it would have been hard to
785 foresee. So mainly those issues presented by the sudden necessity for the States of Alderney to take ownership and responsibility for the Island Medical Centre and the restructuring of the Ambulance Service. These issues have obviously presented an acute immediate problem.

For Alderney, with its current demographic, to ensure it has reliable and resilient primary healthcare services is of paramount importance and an overriding priority for this Government
790 but this has come at a cost and will continue to do so.

Obviously the Treasury Department and the Finance Committee, of which I am the Chair, are disappointed to be obliged to recommend an increase of the Alderney Property Tax to 9% to help meet the costs incurred regarding primary healthcare provision, particularly regarding the IMC and maintaining continuity of service. It is of course the priority of the States of Alderney to care
795 for and support the people of Alderney, and whilst this increase in Alderney Property Tax is hugely unwelcome by the public and indeed the States of Alderney, it is one aspect of the plans being developed by professionals across the Bailiwick which will result in certainty and ultimately an excellent and consistent level of healthcare for all Islanders in the future.

It does seem clear that Alderney needs to continue to consider the question of how it creates
800 new income streams, along with reviewing whether our current revenue streams are appropriately focused and applied, particularly in the rise of the demands of its current demographic and the future projections for health and social care.

I do not repeat anything particularly that Mr Carter has already gone through, so I will just say that I am very happy to note once again that we confirmed that we will maintain water rates at
805 2021 levels, an excellent result of course and testament to the hard work and diligent budgeting of the Water Board team. We of course thank them once again for all their hard work in this and previous years.

And of course I have to give enormous thanks to all involved in preparing the Budget in what has obviously been an incredibly challenging year, to in particular the Treasury team led by Head
810 of Finance, Liz Maurice, supported by Stephen Taylor, our Strategic Financial Advisor, and of course Elanja O'Toole as well.

815 This year the Island has been confronted by many financial difficulties never faced before, for which we have needed immediate solutions to as well as the need to plan for different demands going forward. This highlights the issues presented throughout the year that we, as a small Island, tackle with vigour, addressing the need to provide continuity and confidence in caring for all of our residents. Whilst we regret that the Budget for 2023 does not make for entirely positive reading, we are, of course, acutely aware of the issues that need addressing going forward.
Thank you, sir.

820 **The President:** Thank you very much indeed.
Mr Carter, do you want to exercise your right of reply?

825 **Mr Carter:** Only in so much, sir, as to say there are issues that Mr Snowdon has raised that I think do need to be addressed through the Civil Service. I would agree with that. And certainly Mr Gentle said with regard to appointments, the staging of appointments is something that we should consider very carefully, or the Chief Executive should.

With regard to this Budget, I once again say to you a difficult message, but one that I am afraid I will still commend to you to vote for.

830 Thank you.

The President: And can I assume that everybody is happy to vote for each of the constituent elements of this submission? Yes, so that is passed unanimously.

VII. Questions and Reports – Five questions and one report

Item VII.

The following questions have been received:

One question from Mr Gentle for the Alderney Representative Mr Alex Snowdon:

(1) Could Mr Snowdon briefly summarise any matters of importance to Alderney that may have been debated recently in the Guernsey States of Deliberation, and any other Guernsey updates that may concern Alderney?

One question from Mr Gentle for Chairman of Policy and Finance Committee:

(1) Is the Chairman able to give any update on the appointment of commissioners to ACRE?

One question from Mr McKinley for Chairman of General Services Committee:

(1) Can you provide me with a full breakdown of all monies paid by the States to Alderney Wildlife Trust and associated entities, whether by way of general or specific grants, consultancy fees or otherwise over the last two years, and identify which of these were the result of tendering processes?

Two questions from Mr Snowdon for Chairman of General Services Committee:

(1) Following Guernsey's push for modular housing, can the Chairman confirm we will be working closely with Guernsey to introduce modular housing onto the Island at sites such as Whitegates to try and help with the Alderney housing crisis?

(2) Does the Chairman have any updates on the future use of Telegraph Tower?

The following Report was delivered by Mr Abel: Draft Energy Policies and Energy Roadmaps.

The Greffier: Thank you, Mr President.

835 Item VII is Questions and Reports. The first question received was from Mr Gentle for Alderney Representative, Mr Snowdon.

The President: Mr Gentle.

**Guernsey States of Deliberation –
Update from the Alderney Representative**

840 **Mr Gentle:** Your Excellency, Mr President, Members, could Mr Snowdon briefly summarise any matters of importance to Alderney that may have been debated recently in the Guernsey States of Deliberation, and any other Guernsey updates that may concern Alderney?

Thank you.

The President: Thank you.
Mr Snowdon.

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Mr Snowdon: Thank you, Your Excellency, Mr President. Thank you for the question, Mr Gentle.

850 I am just going to run through some bits and pieces and I am happy to answer any questions at the end. There are two updates really, because there were two different separate States Meetings. On one of them we had the questions and updates from the Policy & Resources President and I did ask the question about modular houses and whether we could work together. I believe the reply and conversations are that they would very much like to work with us with modular housing, so hopefully we can take that opportunity up and explore those options for modular housing. We have just heard how bad our housing situation is so fingers crossed that can
855 move forward.

Future waste charges: obviously that does not apply to us but that was one of the things that came up. Guernsey Electricity Annual Report and Accounts. Quite an interesting one from Home Affairs, which HSC has had some input as well, is the Domestic Abuse and Sexual Violence States of Guernsey 2022-2025 Strategy, which is for Alderney and Guernsey. It is well worth looking at
860 that. That was fully endorsed by the Chamber but obviously it is worth looking at that. I am happy to send that round to Members if they would like that paper.

Uprate on Income Support rates. At the last States Meeting – and I think this actually just touches on where we were a minute ago with our Budget – there was quite a strong statement from the Chief Minister on Policy & Resources, a special statement, about potential cuts to public
865 services, warning, as they are really struggling to fund ongoing services. That was a warning that was given and I think the media covered it at the same time. But obviously I think we have got to take note of that and it is very difficult at times moving forward.

The UK free trade agreement that we have just had here; and then also the discrimination which does not apply to us and the question really for P&F, or the Chamber, is should it apply to
870 us? Currently it does not apply to us. There were a number of amendments to the discrimination legislation put forward but it could be argued that maybe we should be endorsing that and taking that forward.

I know we have discussed it subtly at P&F, and I think we have got a lot on our plate – so I am not trying to put more on our plate – but maybe we should discuss whether we could look at
875 adopting that or making an Alderney special one if Members want to. Or we may have too much to do already. But that was an interesting debate with lots of amendments. I think it is fair to say that emotions were running quite high.

880 The Tax Review is now, from P&R, recommendations are now scheduled to be submitted in January. I am probably afraid to say that GST appears to still be on the table. I know we have highlighted our concerns with GST being implemented.

885 The really important thing next, which will be going to the future States Meeting in November hopefully, is the Alderney runway policy paper, which I know Members have seen a copy of and looked at and examined quite intensely. I think we do need to note that it *is* £24 million but £12 million is already approved and this is saving money in the medium and longer term. We are into a £2 million PSO at the moment and this will actually save money and importantly keep Alderney-Southampton and Alderney-Guernsey. It also creates options.

890 I think it is important I just give a little bit of a briefing to Members about recent history about how we got into this situation. Obviously we had the PSO launched in 2018, before their losses, though we may dispute it, were allegedly £3 million per year between 2015 and 2019; at some stages they were over £3 million for doing the Alderney services. I know we probably asked some questions and did not quite believe the very high numbers. That did lead to the PSO being launched in 2018, which was twice, that went through.

895 Unfortunately it was not, in my opinion, successful at getting a number of other providers in. Basically Aurigny was the one that was successful but there were the political issues where the PSO was going to be capped at £1 million, which would have lost Alderney-Southampton. Luckily, with the new P&R, it was capped at £2 million, so if there are only two planes it is a tremendous amount of money.

900 I think it is important we note that and, as I said at the start, Policy & Resources and the States of Guernsey is in a lot of financial difficulties, they have made that statement for quite some time, so if they are proposing, which they are, with the States' Trading Supervisory Board that this is a way that Alderney can still have its routes, hopefully, and also reduce the cost to the taxpayer, then we should be backing it and endorsing it as we are. And it does not stop small planes landing on a long runway. So I think it is really important that we get behind this, and obviously we do know that there will be on Monday the Chief Minister and President of STSB, Peter Roffey, coming over to talk to members of the public and show their plans.

905 I think if it does not go ahead there is going to be quite a difficult future for Alderney because if you want to future-proof, and this is what is being proposed, if we do not get it we are not future-proofing and that limits the amount of plane models that can come to the Island. So I think this is an opportunity that we need to try and push forward. I actually said to someone yesterday who had a one-year-old child in the pram, that child will be 20 to 25 years when this comes back on the table again, and by that time quite a lot will have changed. So I just wanted to give that little update and obviously we have got our future meetings about the Alderney Airport Policy Letter between us and the States of Guernsey.

915 I am happy to answer any questions Members may have. Thank you.

The President: Thank you.

Mr Gentle, do you have a supplementary question?

Mr Gentle: I do, sir; thank you.

920 Your Excellency, Mr President, Members; thank you very much, Mr Snowdon. As the Chair of BDCC, I will stay out of the Airport.

As important as discrimination is, do you agree that getting the building blocks of the minimum wage and employment contracts are slightly more pressing matters here before embarking on any discrimination policies?

925 Thank you.

The President: Mr Snowdon.

930 **Mr Snowdon:** I think it really comes back to the conversation that we need to, with the Civil Service, work out what our top priorities are. Discrimination might be at the top, that is maybe where we want to go, or might be other matters that you decided. But until we have actually got that list of what are our top priorities and the resources, without increasing our resources dramatically that is going to cost an absolute fortune, then we can come to that decision. And I would suggest when we *do* come to that decision it should be presented to this Chamber so we
935 can get public input and feedback to make sure we are going in, hopefully, the right the direction. I hope that helps.

The President: Thank you.
Does anybody else have a question for Mr Snowdon?
940 Mr Harris.

Mr Harris: Your Excellency, Mr President, fellow Members, following on from Mr Snowdon's mentioning of the Airport runway development and so forth, would Mr Snowdon agree that should this project go ahead it will leave the Island with a dedicated, less disruptive and hopefully
945 less expensive medevac service as well for the Island, which we much need? And hopefully something like that, that is a lot more resilient, would give a great deal of comfort to all Islanders, especially when we talk about healthcare here today in the Chamber?

Thank you.

950 **The President:** Mr Snowdon.

Mr Snowdon: Thank you, Mr Harris.
I think you are absolutely right and the hope would be that would be resolved. I think, as you know, at the moment we are looking at quite major delays because the commercial operator has
955 to provide that service that they are contracted to. So if we could it away from the commercial operator, and hence why maybe – in my opinion – the PSOs were not successful before, then that may be the answer. But if you do not have a longer runway, it is not going to happen. So I think you have probably hit another the nail on the head.

Thank you, Mr Harris.

960 **The President:** Mr Kelly.

Mr Kelly: Yes, sir, Your Excellency.
Would Mr Snowdon agree that the £12 million originally loaned did not include refurbishment
965 of the Airport fire station or the terminal building so the extra £12 million on top of that includes the money to be spent on the building itself?

Mr Snowdon: Thank you, Mr Kelly. He seems to becoming an aviation expert maybe, but anyway.

970 I think it is important to note that the stories that have gone out about this £50 million to £100 million seem to be absolutely wrong and it is unfortunate those stories have gone out. I have every faith in Guernsey Ports and STSB that have been leading this, with support from P&R, that they have got those numbers right. Obviously they will go out and hopefully get approval and make sure that tenders come in to what is agreed and obviously it goes back to the Chamber.

975 But you are absolutely right that those are the numbers that are on the table at the moment and I think unhelpful reporting is not beneficial. Truthful reporting is what is needed with this subject matter, because the future of Alderney is really dependent on what happens with this decision very shortly.

Thank you.

980 **The President:** Does anybody else have a question? Then we can move on to the next question please, Mr Greffier.

**Appointment of commissioners to ACRE –
Update**

The Greffier: The question is from Mr Gentle for the Chairman of the Policy and Finance Committee.

985 **The President:** Mr Gentle.

Mr Gentle: Your Excellency, Mr President, Members.
Is the Chairman of Policy and Finance able to give any update on the appointment of commissioners to ACRE?

990

The President: Mr Carter.

Mr Carter: Thank you, Mr President, Lieutenant-Governor, Members, yes, I can.

995 The P&F Committee deliberated earlier in the year about the role of commissioners and decided that part of that role should be to secure the outcomes of the settlement agreement, which includes an element of debt management.

1000 The Law Officers have helped draft suitable role descriptions and Policy and Finance have decided that role as required does include, as I said, recovery aspects along with licensing. We decided to recruit three commissioners. Securing the expertise of a suitable recruitment panel to conduct those interviews of these specialist roles has not been easy.

1005 The Chief Executive informed me about a month ago that the regulatory specialist has agreed to go on the panel but the remaining specialists regarding renewable energy licensing and debt management are still in the process of being identified. That panel will shortlist, then interviews will take place and recommendations will be taken forward to P&F and then finally to the States Meeting regarding suitable employment. In the meantime, a suitable advert through local Bailiwick and international channels was due to go out last week. However, work on healthcare overtook events and when the CEO returns from compassionate leave she will update the P&F Committee accordingly.

1010 **The President:** Thank you.
Mr Gentle, do you have a question?

Mr Gentle: Thank you very much for the answer.

1015 When I submitted this question I was unaware we were going to get a Chief Plea so I think it is quite good that – looking up he is not here – Mr Dupont can receive a real-time answer to actually part of his question. So I have to ask you a question: do you agree that was good timing?

Mr Carter: Well, yes it was, but I would also question whether it has been tardy timing; that we should have got on with this rather more quickly?

1020 Thank you.

The President: Thank you.
Mr Snowdon.

1025 **Mr Snowdon:** Just to thank Mr Carter for his very detailed answer and I thank him for that. But
would Mr Carter agree that the tactic being used at the moment is a good one, *however*, debt
recovery needs to be number one? In one way we should have debt recovery and hopefully we
1030 can deal with the situation within six months and then move to other renewable energies because
we have got two different roles there and I am not quite sure you are going to find a dual role,
depending on what the priority is. I would say one priority is greater than the other. Would
Mr Carter agree or not agree?

Thank you.

The President: Mr Carter.

1035 **Mr Carter:** I both agree and not agree in terms of, if you have got the right people in place,
then they will be able to do it.

The President: Thank you.

1040 Any further question for Mr Carter? No. Then we will move on to I think Mr McKinley.

Alderney Wildlife Trust – Moneys paid to by the States

Mr McKinley: My question is for the Head of General Services Committee. Can you provide me
with a full breakdown of all moneys paid by the States to Alderney Wildlife Trust and associated
entities, whether by way of general or specific grants, consultancy fees or otherwise over the past
two years, and identify which of these were the result of tendering processes?

1045 **The President:** Mr Kelly.

Mr Kelly: Your Excellency, Mr President, fellow Members, firstly, I would like to thank McKinley
for paying me the compliment of asking me this question. As the former Chairman of the General
1050 Services Committee, he as much as anyone will be more than aware that all grants and financial
matters would normally asked for the Chair of the Policy and Finance Committee. I am therefore
grateful to you, sir, and to Mr Carter for allowing me to answer this question.

Mr McKinley will also be aware that all grants are published in the States Accounts, as per
Item II in the June Billet this year. However, for the benefit of anyone who may have raised the
1055 question to Mr McKinley, I will elucidate. The Alderney Wildlife Trust (AWT) was formed in
early 2002 with the support of the States of Alderney. Through their fundraising efforts, which
account for far more than any financial receipt from the States, together with their dedicated
volunteer base, the main funding support from the States of Alderney has not increased in many
years.

1060 While it is referred to as 'grant support', it is in fact, the majority of financial contributions, are
for services provided to the States by the Trust. The primary areas of contributions come to three
headings. Firstly, as part of its commitment to protect, enhance and support the Island's
environment, the States has agreed to provide annual grant support to the AWT in accordance
with its grant award procedures approved by the Policy and Finance Committee.

1065 The associated service-level agreement sets out the services to be provided by the Trust to the
States in return for this grant. It also details monitoring arrangements to enable the AWT to
demonstrate the use of a grant meets the expectation of the States with regard to the use of
public money. An example of the services provided includes the cutting of 20 km of public
footpaths, cutting and general maintenance of Living Islands sites, wildlife tours and I could go on.

1070 It also provides wildlife cams and monitoring of native species. In this regard, annual allocation of £16,000 was made. This figure has not increased since pre-2010.

In addition to this sum, a further £1,000 has been made annually since 2010 which was taken from the existing revenue budget and used for the purpose of tree planting and maintenance. This arrangement was made following discussions between the Wildlife Trust and the States in regard
1075 to the creation of the Alderney Community Woodland.

As no doubt Mr McKinley will remember, subsequently the Community Woodland Development Plan was created and approved by the General Services Committee and in total over 11,000 trees have been planted at Les Rochers. Alongside the tree planting, work to improve footpaths and amenity features has been undertaken. This grant continues to support the cost of
1080 the annual tree planting within the woodland and associated sites as well as the aftercare and maintenance of the area.

Finally, we have the Ramsar work, which is the result of a 2005 designation of the Alderney West Cast and Burhou Islands Ramsar site, which gained local recognition as a wetland of international importance for the Ramsar Convention. This site covers 15,000 hectares of land and sea and was the first site to gain Ramsar designation with the Bailiwick of Guernsey.
1085

In 2006, on behalf of the States, the General Services Committee requested the support of the Alderney Wildlife Trust in preparation of the management strategy, as required under the commitments of the Ramsar Convention, a little like the request made by this current GSC, that Mr McKinley voted for, for the Wildlife Trust to assist in drafting a Biodiversity Strategy for the States. And we registered the Wildlife Trust as the Ramsar Secretariat, with the International Ramsar Secretariat in Geneva.
1090

The Ramsar site strategy outlines the need to monitor seabird marine population threats and trends and to continue the management of populations where necessary. The objectives of this strategy are assessed annually through various research projects and conservation management techniques. Requests for funds for the objectives of the strategy were submitted each year to GSC. For 2020 – under Mr McKinley’s chairmanship – and 2021, combined Ramsar expenses were in the order of £21,000 for two years.
1095

In 2021, the General Services Committee will have supported an eelgrass mooring assessment to the grand total of £1,300. Other similar payments made to the Wildlife Trust in the past two years relate to contract reviews for the dairy farm management contract. The total cost of these reviews combined was £1,700. As you will note from this response, these costs are by majority services provided to the States. By the very nature of these services and the historic agreements that provide for them, a tendering process would not be appropriate.
1100

Finally, in the interests of transparency, I think it relevant to point out that on the Wildlife Trust website they do publish all their sources of income, whether from the States of Alderney or elsewhere.
1105

Thank you, sir.

The President: Thank you very much indeed.

1110 Now, Mr McKinley, an extensive answer. You have one question, if you wish to put it?

Mr McKinley: I want to clarify one or two things, if I may, and ask one question. I do not recall, as a member of the General Services Committee, supporting the proposed Biodiversity Strategy and that was the reason for my question, as I am sure you know already.
1115

You said earlier that you cannot tell me how much money –you told us all – that AWT is being offered or has requested for the proposed Alderney Biodiversity Strategy but the rumour is that they have done and the people outside, a lot of people, are very concerned about the whole strategy being proposed. We are not going to debate it now in detail but –

1120 **Mr Kelly:** I can answer the question –

The President: Is there a question?

Mr Kelly: I am waiting for the question, sir, but I would love to answer.

1125

Mr McKinley: No. When are we going to debate fully the Biodiversity Strategy? Presumably next year. But you should take it as a concern, and I hope you are taking it as a concern, because it is a concern of many members of the public who oppose the Strategy.

1130

Mr Kelly: I will answer, sir, if I may, the question. Mr McKinley's recollection is obviously not as clear as it should be because the minutes will record that Members present at the General Services Committee meeting did approve and Mr McKinley was there. Mr McKinley did approve the Wildlife Trust Biodiversity Strategy. All the work has been undertaken by the Wildlife Trust to carry out the strategy.

1135

Mr McKinley will hopefully also remember that at the People's Meeting I did say, and I have told members of the General Services Committee, that it is my intention in November to place hopefully what will be the final draft of the Strategy but for them not to consider it until the new General Services Committee is formed in January, sir.

I hope that answers Mr McKinley's question.

1140

The President: Thank you very much indeed.
Any other questions? Mrs Maurice.

Mrs Maurice: Mr President, Your Excellency.

1145

This is a question – well, actually it is more of an announcement to Mr Kelly –

The President: It needs to be in the form of a question.

1150

Mrs Maurice: It is in a question, but it is a bit of an announcement, because Mr Kelly is saying about the funding for the Wildlife Trust and last year – well, this year – they said for last year they had £16,000, as you rightly said, for doing the roads and paths, a separate grant of £1,000 for doing the community woodland project; £11,700 was for the Ramsar site.

1155

When the Ramsar site was actually started up, and I was a States Member at the time, that was for monitoring and reporting only, not to interfere with anything. It was just to *report* if anything was going wrong and then nature being nature, it does exactly what it wants to do and there is not really much you can do to turn it over so you just had to report if there was anything going on. This adds up to £28,700 from the States.

1160

However, it said all other work of Alderney Wildlife Trust funding is generated by themselves, including consultancy and other contract work, grants from other charitable bodies and public donations. In 2021 this other funding was more than nine times more than what we got from the States, so that would put it in the range of £258,300 plus and then add the money from the States. So it is actually running up to about £300,000 for last year, that they are admitting to.

The President: So what is the question?

1165

Mrs Maurice: Why are they still having all these volunteers? Where are they spending this money? If they have got 10,000 hours of volunteer work etc., who is actually getting this money? That is what I am asking, that is my question.

1170

The President: I am not sure you are in a position, Mr Kelly, but over to you.

Mr Kelly: I am obliged, sir, thank you.

1175 I am not sure which question she wants me to answer first. If the Wildlife Trust are granted work by outside bodies, not the States, and are paid for that, that is not our concern. Our concern, surely, is that we give them a grant to carry out work for us and £90,000 is nothing to do with the States of Alderney.

Mrs Maurice: It was not £90,000, sorry.

1180 **Mr Kelly:** Well, whatever the figure was.

The President: Can we not develop a conversation, please?

Mr Kelly: Absolutely, sir, my apologies.

1185 I cannot assist you in relation to what they do today, the Wildlife Trust, with the money. That is a question you must ask them. But, as I said, if Members wish to look on their website, it lists out all their contributions and all their incomes. I am struggling to further answer to that one, sir.

The President: Thank you.

1190 Any other questions? Mr Snowdon.

Mr Snowdon: Thank you, sir.

1195 Not to really get into this subject too much but just for clarification, the Biodiversity Strategy potentially would be in all policies, so whatever other policy it is you have got a strategy which you have to intermarry. So would the Chairman agree that there would be some cost, whether it is to the States of Alderney or how it works, but there would be some cost for monitoring and changing it. You cannot say there is no case, could you?

1200 That is what my question is to the Chairman. I just think we need to get it on record that there will potentially be a cost but it is unknown what that cost is if you have got a strategy that you have got to implement, you do have to follow it, monitoring and checking, so there is a cost. Would you agree?

Thank you.

1205 **Mr Kelly:** No, sir, I would not agree, obviously because I have said it is going to come at no cost. In addition to the money that we pay our public works carry out works for ... All it is – I am having to me to control my emotions on this subject, sir – is a strategy that shows to the outside world and to remind *us* the work that we do on the Island.

The President: Thank you, Mr Kelly.

1210

The President: We now move to some questions from Mr Snowdon. Now, rather than me having to say every time does anybody else want to speak, please just make it clear. It saves me having to ask the question and it saves members of the community having to listen to it so that would, I think, speed things up.

1215 So Mr Snowdon, your first question is for the Chair of Policy and Finance.

**Alderney Airport Runway Rehabilitation Policy Letter –
View of the States of Alderney**

Mr Snowdon: Thank you, Mr President, Your Excellency.

Could the Chairman outline the States of Alderney's view regarding the recently published Policy Letter entitled 'Alderney Airport Runway Rehabilitation' submitted by Guernsey's Policy & Resources Committee and States' Trading Supervisory Board?

1220 Thank you, sir.

The President: Thank you very much indeed.

Mr Carter: Thank you and thank you for that question, Mr Snowdon.

1225 I think this letter has focused the mind and perhaps clears the decks of the misunderstandings and the mass of swirling misinformation that has gone round through the last couple of years while different options have been discussed and so the public domain perhaps has now some very clear information as to costs of this particular project.

1230 It is obviously the most important infrastructure project the Island has seen in this century and the last and any major project of this nature will no doubt be contentious. And, of course, I respect those who hold other views and opinions as to how this should be taken forward. But I do think it is absolutely vital that this remarkable opportunity, with regard to extending the runway and the infrastructure, Option C, does bring a very clear advantage to the Island which we will never have the opportunity again.

1235 We need to look forward. It will bring about the potential for expanding the population. By looking back at a supposed golden era when regulations were different, passenger expectations were different and there was a different, less connected world, I do not think we would do ourselves any favour.

1240 So this Policy Letter does not do that. It looks forward. And I think the States of Alderney is convinced that the majority of Islanders would like to see a modern, up-to-date, fully functioning airport fit for the 21st century, which would allow those larger, both private and scheduled aircraft, to come into the Island and make it effectively a much more significantly economically active Island.

1245 It seems clear that with the increasing pressure on Bailiwick revenues and budgets, it is very unlikely that the public service obligation agreement and subsidy would be agreed at the current level of £2 million a year in 2026 going onwards. In 2025 it expires, which in aviation terms is an incredibly short period of time. Hence the importance of significantly reducing our annual subsidy through the adoption of Option C in that Policy Letter. That annual recurring saving of approximately £800,000 is critically important and makes Alderney's lifeline air routes sustainable in the long term.

1250 The reasons for it and why it is so important is it will promote economic growth. It will allow, through that Option C+, larger aircraft, leading to potentially 20,000 extra passenger seats at comparatively low cost to come into the Island. There is no other scenario that enables such traffic growth at relatively modest cost and that will be a significant enabler for our very fragile economy. And it enhances the growth and fiscal revenues for the Bailiwick; the whole Bailiwick.

1255 Likewise, 21st century regulations are different. Air services to Alderney currently operate under several derogations and variations which are determined outside the Island by regulators. If this option is taken, Option C+, then we effectively future-proof the potential for an organisation outside of the Bailiwick just saying, 'We shut this airport.' So those derogations will become obsolete and effectively the Airport would become an airport that is fit for the 21st century and it will actually run.

1260 Those PSO options I cannot emphasise enough and it is helped through the Policy Letter that we have seen before us. It means that we will have, through the outline business case, savings over a period of time that does pay back that extra £12 million that is being requested.

1265 Medevac services will also be effective in terms of, rather than an air taxi, where we are asking a scheduled airline to stop its schedule, effectively take seats out to allow someone to be then transferred. That will not happen and we will not have the issues of the whole schedule of the

airline being interrupted. King Air planes can come in with a proper air ambulance and that gives us the ability for our Island to have effective medevac.

1270 More visitors will come and I think also more business. Those 20,000 seats are vital and it will also boost just the confidence of the Island and also the confidence of the Bailiwick, likewise with regard to more tourism.

1275 If this does not happen I really do seriously believe that the Alderney-Southampton route could disappear. If that happens, the economic effect on the Island will be dramatic and I do not think retrievable, and that is something that I do not say lightly.

Effectively, then, what are we looking for? We are looking for support in the States of Deliberation in Guernsey for Option C. The logic of those increased costs, capital costs, are there in terms of it will reduce expenditure in the long term for Guernsey on our population as we are a more viable population.

1280 Over the coming weeks there will no doubt be debates through a range of media with regard to this Policy Letter before it is formally debated in the States of Deliberation. And when it gets to the States of Deliberation, we will be looking to our two Representatives, Mr Snowdon and Mr Roberts, to support the case made by P&R and they will have that intimate knowledge of the Island to be able to put forward arguments that perhaps the States of Guernsey Deputies maybe
1285 do not necessarily understand.

I am also sure that many of us will be in the Public Gallery to support our Members as they take on that heavy responsibility; a responsibility that the Island has elected them to do, to support our position in the States of Guernsey. However, although we may be here in the States of Alderney this afternoon and *Quay FM* may be transmitting, it is for the 38 Guernsey-based
1290 Deputies that I would directly appeal to vote for this Policy Letter, as that will affirm and reaffirm and develop that long-established fiscal union with Alderney and it would create a much stronger Bailiwick. I hope that answers your question, it was not a speech.

The President: Thank you.

1295

Mr Snowdon: Thank you, sir.

Just to say thank you to Mr Carter for that very detailed answer, and I much appreciate it. Would Mr Carter agree that if he has a message for the Guernsey Chamber that he would like to get across, that it was really about saving money without destroying the Island, to support that
1300 Policy Letter, because any other decision would potentially be catastrophic with a downgrading of aviation services for Alderney? Would you agree?

Thank you.

Mr Carter: Absolutely. I absolutely agree in all the words you have said, Mr Snowdon, and
1305 thank you for saying them.

The President: Next question then please, Mr Snowdon.

**Public service reform –
Alderney to take similar steps to Guernsey**

Mr Snowdon: Thank you, Your Excellency, Mr President.

1310 For Mr Carter again, can the Chairman confirm if we are taking similar steps to Guernsey over public service reform?

Thank you.

Mr Carter: Thank you for that question.

1315 If 'we' is defined as the States of Alderney, then the short answer is no. Public service reform in Guernsey has recently been publically commented on by the Chairman of P&R as having failed to deliver the savings and efficiencies planned. That said, reforming an organisation of 6,000 is somewhat different to reforming and reviewing an organisation of 60 – *our* Civil Service – where through multiple single points of failure we have effectively civil servants wearing so many hats that that is a very different way of review.

1320 I have recently spoken to the Chief Operating Officer in Guernsey regarding a 'Working Together' programme and how this could impact on both Guernsey civil service effectiveness and what lessons have been learnt to then apply to the Alderney Civil Service. He has explained very definitely that we focus our efforts on realistic reform, and as I think Mr Snowdon has made a point before, prioritising – something that I have probably banged on about as well – is key.

1325 So with this perspective, I am pleased that our CEO has been invited to be a member of the States of Guernsey transformation executive, a group of the senior civil servants in Guernsey who are working on that transformation and I would hope that through that exposure to perhaps different ways of thinking, that that will actually help in terms of reviewing our Civil Service.

1330 In our Civil Service, I think the key is that we have best use of the skills and expertise that we have and we have it at the time we want them. And so that working together with Guernsey to reduce duplication of effort and, more importantly, access to the right people with the right skills at the right time is something that is key. Likewise, just simply admitting when the challenges are too great for our capabilities.

1335 Hence, not an easy activity for a small government on a small island to undertake, particularly when you have funding issues, as has been highlighted. So I think to come out of this a clear, formal monitoring process of effectiveness and outcomes at all levels of management in the organisation is essential if this process is to be successful. And that is the message, I hope, that the CEO ... I am sure she does appreciate that.

Thank you.

1340

The President: Thank you.

Mr Snowdon: Thank you to Mr Carter for that answer.

Would that mean that we are going to save the £120,000 in 2023?

1345 Thank you.

Mr Carter: I would leave that for the Chief Executive.

Thank you. *(Laughter)*

1350 **The President:** Next question. I think now you are moving to the Chairman of General Services.

Modular housing – Introduction on Alderney

Mr Snowdon: Thank you very much, Your Excellency, Mr President.

Following Guernsey's push for modular housing, can the Chairman confirm we will be working closely with Guernsey to introduce modular housing on to the Island at sites such as Whitegates to try and help with the Alderney housing crisis?

1355

Mr Kelly: Your Excellency, Mr President, fellow Members.

Again, I seem to be standing in for Mr Carter in a way because matters relating to the purchase of property for the States are dealt with by the Policy and Finance Committee, not General

1360 Services. However, I do appreciate that in relation to the existing States properties that we own they are the responsibility of GSC.

I very much share Mr Snowdon's concerns relating to the housing shortage for certain groups in Alderney, which is why I have been supporting and championing the purchase of land for sheltered accommodation. In Alderney at present we, the States, have land available to build houses on but unfortunately due to other commitments, that Members will be all too aware of, we have a lack of capital. Land such as the site off the lower road or the Rue de Beaumont to use its proper name, would be ideal for social housing, and the use of modular housing there would seem to be an economic system of building.

1370 Concerning Whitegates, Members will recall that in May 2021 the General Services Committee discussed these derelict properties, the properties that had been derelict for 10 years at least, and a report from the programme manager was tabled. GSC resolved to note the report and, subject to the review of financial rules, agreed to the sale of both the north and south plots as one, excluding the cottage and this would be considered by P&F.

1375 In October 2021 the Policy and Finance Committee discussed rebuilding Whitegates. P&F Committee requested the Housing Group to explore options to build 11 two- to three-bedroomed terraced houses in units on the Whitegates site, to explore the cost involved in the construction and the funding required. Unfortunately, despite prompting by myself, no decision has been made in relation to that matter.

1380 A local resident with an interest in modular housing did approach the Housing Group in relation to the topic and was invited to speak to the Group. Initially he failed to respond to that invitation but I do understand that he has recently made contact and will receive an invite to present his suggestions at the next meeting.

1385 Unfortunately, the new Chair of the Housing Group, Ms Burgess, is unable to be with us today. However, I can assure Mr Snowdon that I will remind her of the previous decisions and Mr Snowdon's concerns. Equally, I will stress my view that the solution would be to sell Whitegates, thus alleviating the lack of capital and build far more homes than are available at Whitegates on sites such as the low road, which is a more central location to the school and the shops for those unable to enter the property market.

I hope that answers Mr Snowdon's question.

1390 **The President:** Thank you.

Mr Snowdon: Thank you, President, and thank you to Mr Kelly for answering the question.

1395 But just to remind Mr Kelly, I do not think you answered the actual question that I put here today: are we going to work with Guernsey on the modular housing? If they are doing a big development ...? Are we having those discussions with Guernsey? Is that Housing Group engaged with Guernsey to try and work out how we can potentially get modular housing if they are buying a whole load, how we can do it as well? I appreciate your answer but I do not think you actually answered that specific question so I would appreciate it, because I think the door is open but it probably will not be open forever.

1400 Thank you.

1405 **Mr Kelly:** It is a bit difficult to answer the question on behalf of people who are not here, sir, people who are in the chair of the committee or the Housing Group who no longer serve on the States, and also to answer for the current Chair. So I cannot answer the question directly. However, looking at the logic, if we have not got land to put the modular housing on, there seems little point in approaching Guernsey for assistance. However, I am sure that once we have got the land to put the modular housing on then we will approach Guernsey, if it coincides with their purchase of modular housing.

1410 **The President:** Thank you. Mrs Maurice.

Mrs Maurice: Mr President, Your Excellency.

Mr Kelly, I do not know why we have not got any land. There is Whitegates that you want to sell. We already own it, so we have got land. And it has very long gardens; you could put two rows of houses where the gardens meet in the middle down on that site and you will have more than 11 houses. I really do not understand your problem.

Mr Kelly: Sir, perhaps I can make it a little bit clearer then for Mrs Maurice. We do own the land, we do own the houses, but we have lack of capital to build the houses should we then knock Whitegates down. By selling Whitegates we then get capital that we can build houses on, on additional land that we own.

If I may, sir, continue, the housing on the low road would be closer to the shops, as I have already said. The houses at Whitegates were not suitable for people. When the Housing Association owned them, people did not want to live there because, rightly or wrongly, it was considered to be too far out of the town for young people or elderly people.

I hope that answers the question, sir.

Mrs Maurice: Can I ...?

The President: No ... Sorry! *(Laughter)*
Mr Gentle.

Mr Gentle: Your Excellency, Mr President, Members.

Mr Kelly, do you agree that whilst Whitegates is zoned for social housing, that without rezoning it cannot be sold?

Mr Kelly: Yes, I do, sir.

The President: Thank you.
Mr Harris.

Mr Harris: Thank you, sir, Your Excellency, fellow Members.

A very quick one for Mr Kelly. Would you just confirm that the lower road land to which you refer is at the far end of Le Banquage where the quarry is? Is that correct?

Mr Kelly: I can confirm that, sir, yes.

The President: Thank you very much. And your final question now, Mr Snowdon, please.

Telegraph Tower – Update on future use

Mr Snowdon: Thank you, Your Excellency, President.
Does the Chairman have any updates on the future of Telegraph Tower?
Thank you.

Mr Kelly: Yes, I do, if that is the answer to the question that you are looking for. *(Laughter)*

The President: I think perhaps he was expecting a tad more.

Mr Kelly: Okay, sir, I will oblige.

1460 The Telegraph Tower, as Mr Snowdon will be aware, is an elderly building. It was constructed around 1800 and therefore is one of the oldest constructions on the Island. At the moment, General Services Committee has agreed to apply for the Building and Development Control Committee to make the premises wind and water tight and in addition to remove what can only be described as an outhouse, in every sense of the word, which was added fairly recently by the last tenant. That is all I can say, sir.

1465 **The President:** Thank you.

Mr Snowdon: Thank you, President.

I just would like to thank Mr Kelly. I am glad we are not selling it off or knocking it down. Thank you. *(Laughter)*

1470 **The President:** Are we? I think he forgot to say.

Energy Working Group Report – Draft Energy Policies and Energy Roadmaps

The President: Finally, any other ...? Mr Abel.

Mr Abel: Yes, thank you, Mr President.

1475 I have a summary of the working group's report to P&F and also to the States which I would like to read, with your permission, sir.

The President: Yes, please do.

Mr Abel: Thank you, Your Excellency, Mr President, colleagues.

1480 I welcome the opportunity to present a summary of the Energy Working Group's Report which covers its key deliverables, the Energy Policies for the Island and related Roadmaps.

The Energy Working Group consists of States, non-States and AEL members and in drawing up the Energy Policies reviewed the major goals of the Island Plan, previous policy drafts, the reports prepared by ORE Catapult Development Services, current constraints and the increasing costs of energy on the Island.

1485 The policies follow the format of a land use plan and provide context and background for each of the six Energy Policies, which are: Policy 1, energy security and sustainability for the Island, which considers mitigation of external threats. Policy 2: resilience – what can be mitigated or developed on Island. Policy 3: clean energy – maximising the use of renewables. Policy 4, affordability, considers equitable cost of energy. Policy 5, opportunities, guides the continuous scanning and evaluation of new technologies. Policy 6, tidal and wave energy, requires monitoring and progress in developing technologies and scanning for opportunities that can use our extensive marine resources.

1490 Obviously there is a lot more detail with regard to those policies and they will be published on the States website under 'Reports' in the Documents section.

1495 The Energy Roadmaps address the elements of the policies and consider the Energy Strategy over the short and medium term based on available technologies, changes to electricity tariffs, increasing use of renewable energy supply options and guidance and support from the States and AEL in terms of energy efficiencies.

1500 In line with these Energy Policies, Alderney Electricity, the electricity concessionaire, is developing an operational strategy to introduce sources of renewable energy with an initial focus on the use of wind and solar resources. Revision of tariffs by AEL will address affordability and will

also address the commercial development of renewable energy, particularly domestic solar arrays.

1505 AEL and the States need to provide advice to improve energy efficiencies both in effective building insulation and by increasing the use of high-efficiency oil-fired boilers. This will result in reducing cost, reducing heat and oil usage and a reduction in the Island's carbon footprint. Obviously the increasing use of electric vehicles powered by renewable energy will reduce the Island's carbon footprint, but for Islanders this is currently an expensive option.

1510 The Energy Group will continue to assess options for tidal and wave energy and are looking at pilot projects. This in future will fall in under the ACRE role as the commissioners. The Energy Group will also continue to work on future offsets for heating oil and the development of hydrogen options.

1515 In closing, Mr President, the Draft Energy Policies and the Roadmaps will be published on the States website under Reports, States Documents, as mentioned. The policies and roadmaps will be covered by a press release which will also provide direction for consultation by written submissions and via a drop-in session in the coming weeks. That is really a very summarised summary of the report. There was a lot more detail, particularly on the policies, as mentioned on the States, or will be on the States website shortly.

1520 Thank you.

The President: Thank you.

Just for the benefit of Members, might I gently you remind you that Rule 19.3 provides that:

After a report under paragraph (1) is presented, any member may offer a personal opinion on the report and may ask a question relating to the content of that report.

Mr Gentle.

1525

Mr Gentle: Your Excellency, Mr President, Members and thank you, Mr Abel.

I should state for total transparency for anybody listening that I am the States-nominated Director of Alderney Electricity Ltd and I am a member of the Energy Group.

1530 But with regard to Policy 3, Mr Abel, clean energy and maximising the use of renewables, whilst we hope to encourage as many as people as possible to generate their own energy, how do we get around the problem of those same people making more than they need and selling it back into the grid where all can benefit?

Thank you.

1535 **The President:** Mr Abel.

Mr Abel: Do I answer that question now or wait until there are other further statements, shall I, sir?

1540 **The President:** I think probably if you answer them as we go.

Mr Abel: Certainly. Thank you, sir.

1545 With regard to that, Mr Gentle, certainly the whole issue around feed-in tariffs has been discussed for many months, many years and has still not been resolved. Part of the restructuring of the tariffs on the Island that AEL need to consider will incorporate feed-in tariffs as part of that tariff structure. However, it should be pointed out that the grid as yet is not fully functional and in some cases cannot accept feed-in from domestic arrays at the current time. However, Alderney Electricity are working on that. In addition it should be noted that not all electricity from an array can be sold into the grid because from time to time the grid nominally will not require it,

1550 particularly during off-peak periods. Not everything will be sold. So the expectation should not be that you can sell every single unit that you produce off an array.

The other consideration is that as more and more people go off the grid, the number of units that are sold by AEL drops. Obviously that will impact on the overall revenues for AEL and hence the feed-in tariff will be set at such a level to try and compensate for that. But the overall tariff structure being reviewed needs to assess the overall impact and how AEL's revenues may or may not be affected going forward. It is not a simple item but one would hope that electricity will be available to be sold by the public back into AEL.

Thank you.

1560 **The President:** Thank you.
Mr Snowdon.

Mr Snowdon: Thank you, President, Your Excellency.

1565 Just to touch on a couple of things if that is all right, and a question in there as well, fingers crossed.

1570 Firstly, I do want to say thank you to Mr Abel, because you have done a tremendous amount in the States of Alderney since you have been elected trying to push forward renewable energies and the energy in general and how we are more efficient with it. I think we have actually now got a plan that needs to be delivered, that needs to be actioned and needs to be resourced so we can get there. But I think your dedication to this has actually made us in a stronger position than where we were before. I know that is mirrored by colleagues and external parties as well.

1575 But I just want to touch on a couple of things. Would it be possible maybe to have a little bit of an update on where tidal is, because tidal is very important. I know we have got the guidance between our consultant on where we should be going, which is mainly the focus is wind with the support of solar. But we do have aspirations that tidal will get there sometime and we can go through these stepping stones hopefully where you do have maybe colleges and universities with the research side of it that builds up. So although you may hopefully one day get quite a big tidal array, fingers crossed, in the waters of Alderney, the concept stages are actually quite important as well for our economy and that we should maybe be focusing on that a little bit more.

1580 And touching on that point, that we should also engage – and we are – with Guernsey but also Jersey, because the Channel Islands are going to have some really tricky situations. We have seen the devastating cost of energy because of the war, all across Europe and the UK, but we are actually stronger as a Channel Islands together. Although we have got water between us, we need to be focusing on similar issues which are small and big. So I think that is important that we do probably reach out a bit more to Jersey as well. I know we are quite close to Guernsey but I think we do need to make sure that we are hopefully on the same lines as much as possible.

1590 I think what you have actually done is put a clear plan of action on how we are going to do this and how hopefully we are going to deliver this, but I think maybe just in a little bit of a summary, if you do have time when you are summing up, would be just how we are going to take this forward.

1595 Obviously you are the main driver, with support from myself and Mr Gentle and our hardworking non-voting members, who are very good as well, but how do we take this forward? Is the more key driver now to pass this over to AEL and then hopefully AEL will drive forward the wind side of things and the solar side of things or would you envisage that the States still has a working group that gives oversight for it and helps, or in partnership? How do you feel that this is going to be pushed forward? Because the worst thing is if this document get puts on a shelf full of dust and we look at it in 10 years in time and think, 'Oh, I wish we did that.' So those would be the questions – I know it is meant to be one, sir – the observations to Mr Abel.

Thank you.

1600 **The President:** Mr Abel.

Mr Abel: Thank you.

Quite an extensive question, if I may say so, but I will try and answer it.

1605 I thank you for the recognition for the hard work, but I think it is not only myself but also the other members of the working group that should be commended for the work and the progress that we have made. It has certainly not been an easy job but I think we have a bit of a view of how to go forward. We also understand, shall I say, some of the constraints that are in front of us.

1610 If I can try and answer the questions that you raised in sequence. With regard to tidal, certainly, as everybody knows, we have an extensive resource around us. At the current time, a resource adjacent to us on the Normandy coast is being developed by two companies, one being Simec Atlantis. They are, as I understand, going to install up to 9 MW of power from the Raz de Blanchard area adjacent to Cap de la Hague. There is also HydroQuest, which I understand has a 14-megawatt contract with the French authorities to develop there. Both of those two companies have not progressed as much as we would have hoped at the current time.

1615 Simec Atlantis is still going through the process of changing the original OpenHydro application to the type of turbine that Simec Atlantis wants to put in. HydroQuest is going through the process of permitting for their site. They are introducing a vertical turbine which is different to a wind turbine equivalent and they also are looking for funding going forward. At the current time I understand, maybe in 2023, but it is probably more likely 2024 or 2025, before those two projects get up and going. But they are extremely important to us here because they are a huge pilot project for us to look over the fence, so to speak.

1620 However, it is still important for us, I think, to see if we can put out our shop window and we are looking at actually putting out expressions of interest to request people to make offers if you want to put units of various size in our sea, so that we can get a small project which we can incorporate into the grid without having to incur a large amount of expense with regard to storage, and that particular work is going on.

1630 For information, the UK puts out various requests for power supplies for renewables and I think it is request number four that was published in July of this particular year. If you dig on Ofgem's website you will come across the results of that and it varies from large offshore wind turbines, quoted at £37 per MWh, nominally three/four pence, and it also goes through the various solar panels, onshore wind etc.

1635 But also what is important for us is to actually see there a number of projects for tidal arrays in and around the UK, Wales and Scotland in particular, which are coming in at £178 per MWh; in other words, 17 to 18 pence. That is the lowest we have seen to date. Previously I think it was in the 23, 25 p area. However, they are also, I understand, talking to the people involved in some of those projects that those particular 'Contracts for Difference', as Ofgem calls them, at £178, are supported by large infrastructure around them. So there is a bit of a discount with those and realistically they are probably closer to 23, 25 p. However, that is pretty positive, what we have seen with regard to the tidal.

1640 So our thrust from the working group is to go out for expressions of interest to find out what technical options they will offer us, what are the conditions they will offer us and what the costs are going to be and how we would integrate those in the system. AEL is obviously involved in that process because it is critical to incorporate that into the grid and hopefully provide base power which does not require storage, but there is still some work to go on that particular issue.

1645 With regard to research and universities, we are engaging with Exeter, Plymouth and also various research institutes and universities, and will continue to do so. They tend to focus more on the social aspects to date. Whenever we ask them questions on the technical part they tell us how nice the community feels tidal would be and that is not very helpful. But again, it is an important link that you highlight and we will continue to drive it.

1650 In terms of engaging with Jersey on the power side, just to give you a bit of a view from what I understand, Guernsey put out a consultation paper this last month and they have got quite a set of strategies that they have tabled with regard to wind power and tidal and also various other developments on island in Guernsey. I also understand that they are engaging with Jersey with

1655 regard to wind farms for the two Bailiwicks to be co-operative. To date I have not understood whether they are going to engage with the French because, as I understand it, the Bréhat-Paimpol wind farm area, which is to the south-west of Guernsey, is now going ahead there, but I suspect that will all be drawn together.

1660 In terms of us engaging with Jersey, I think going forward I would recommend again we are here and they are there, so it will be quite a difficult process, but with the engagement we are having with Guernsey to date, that obviously will open up any doors that we can make use of. With regard to how to drive things forward on that, obviously the working group is put together by P&F, it operates against a mandate and I would see in the coming year that that same process, if felt necessary by the incoming P&F, will drive that forward again. What this working group is trying to finish during the course of this year is that those policies have comments incorporated from them by consultation and hopefully by the December States Meeting it can be put to the States for approval.

1670 In terms of who drives this forward, yes, it is part of P&F and its working group. Again, there is limited resources in the Civil Service to drive that forward. We have some support but probably not enough if we really want to drive that forward. AEL is key to this particular role and, in terms of the electricity supplier, should be taking their part and driving this forward. They have accepted that but obviously P&F need to continue to engage with them.

1675 There also needs to be a lot of work with regard to AEL and what is its function going forward because realistically it should be the energy provider and manager on behalf of the Island, both in terms of the distribution grid and in terms of driving renewables across the board. So those discussions are also ongoing going forward.

Again, it is an important part for the Island to contain the costs but also for the Island to move towards the use of more renewables and reducing its carbon footprint going forward. Fortunately our carbon footprint is small but it is important for us, as a responsible group, to do have a part in the requirements of reducing carbon dioxide generation.

1680 Thank you.

The President: Thank you.

I think that concludes this afternoon's Meeting, so would you please close the Meeting, Mr Greffier.

PRAYERS

The Greffier

The Assembly adjourned at 4.40 p.m.