



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 16th March 2016

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Present:

Sir Richard J. Collas, Kt, Bailiff and Presiding Officer

Law Officers

H. E. Roberts Esq., Q.C. (H.M. Procureur)

People's Deputies

St Peter Port South

Deputies P. A. Harwood, J. Kuttelwascher, B. L. Brehaut,
R. Domaille, R. A. Jones

St Peter Port North

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,
R. Conder, C. N. K. Parkinson, E. G. Bebb, L. C. Queripel

St Sampson

Deputies G. A. St Pier, K. A. Stewart, P. L. Gillson,
P. R. Le Pelley, L. S. Trott

The Vale

Deputies M. J. Fallaize, D. B. Jones, L. B. Queripel, M. M. Lowe,
A. R. Le Lièvre, G. M. Collins

The Castel

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,
B. J. E. Paint, S. A. James, M. B. E., A. H. Adam

The West

Deputies R. A. Perrot, A. M. Wilkie,
D. de G. De Lisle, D. A. Inglis

The South-East

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

Representatives of the Island of Alderney

Alderney Representatives L. E. Jean and S. D. G. McKinley, O. B. E.

The Clerk to the States of Deliberation

J. Torode, Esq. (H.M. Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller); Deputy A. H. Langlois (*relevé à 10h 32*);

Deputy S. J. Ogier (*relevé à 9h 34*); Deputy A. Spruce (*indisposé*);

Deputy J. P. Le Tocq (*relevé à 10h 32*); Deputy A. H. Brouard (*relevé à 10h 08*);

Deputy Y. Burford (*indisposée*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Greffier

EVOCATION

Billet d'État VII

HEALTH & SOCIAL SERVICES DEPARTMENT

III. Capacity Law – Debate continued – Propositions carried

The Greffier: Billet VII – Article III – Health & Social Services Department – Capacity Law – continuation of debate.

5 **The Bailiff:** Members, before we resume debate, the media have asked me to just point out to some Members, that sometimes when you are chattering and other people are speaking, what you are saying does get picked up and broadcast on the radio. Now, I would much prefer that there was not any chattering going on. It is matter for you, but if you wish to chatter, you do it at risk that your comments will be broadcast around the Island, either because people sometimes
10 leave their microphones on, or because it is picked up by other microphones. So, it would be much better if people did not chatter, but if you do, as I say, that is the risk that you run.

Deputy Ogier, you wish to be *relevé*?

15 **Deputy Ogier:** Yes, sir.

The Bailiff: Deputy Bebb, you were speaking in general debate, on this matter, when I had my attention drawn to the fact that Deputy Hadley had laid an amendment. Do you wish to resume your speech in general debate, or have you said all that you need to say?

20 **Deputy Bebb:** If I may, thank you.

Very briefly, on this particular piece of capacity legislation, I think it is particularly important to draw attention, and to ask the Department certain things, post the creation of this legislation. Nothing could be worse than to create the legislation and then for nothing to happen. I understand that certain campaigns and events in the UK have seen every person on entering the

25 hospital, regardless of what their condition is, to be asked do they wish to take out an advanced
directive, do they wish to take out any form of ... exactly what is being proposed here.

That leads to very good examples – I believe that their example was Nottingham, but I am
quite happy to be corrected on that – where every single person who entered the hospital,
regardless of the reason, even if they were just accompanying a relative, were asked if they would
30 be interested in taking an advanced directive, and I will give an example of why I think this is
particularly important.

My partner and I had a very serious in-depth conversation about end-of-life care, at one point,
and it was a particularly jolly evening, as I am sure you can imagine. But we have completely
fundamentally different views around our individual end-of-life care. I am of the opinion, as they
35 say in America, that no heroic attempts should be made if anything were to happen. Whereas he
is of the diametrically different opinion that all heroic attempts should be undertaken, if anything
were to happen, to keep him alive. Therefore, I present that as a problem, that, of course, in very
difficult circumstances where we could be talking about severe distress, making decisions about
end-of-life care for your partner is difficult if your views are diametrically opposed. Advance
40 directives assist people in having the care that they wish for.

So the real question that I have for the Department is, yes, of course, I would sincerely hope
that everybody would be able to support this particular policy letter now, because it is about
mental health care as well, and if we want to have that commitment of having equal care for
mental health issues as for physical health issues, this is fundamentally a keystone in that. But, also
45 what have the Department thought of – and if they have not thought of, would they undertake a
commitment to go away and to think of – what campaign, what information they believe that they
would undertake in order to ensure that, when the legislation is created and is available, the
uptake is significant?

Another area that I believe would be of great benefit is whenever people are taking out wills,
50 that the advocate firms are equally asked if they would also suggest advance directives at that
point in time. Because I think that it is information for people to have made those decisions
around the areas where they lose capacity. That unfortunately happens so frequently, especially
with our rates of dementia, and it is only right for people to have some say in their care whilst
they still have capacity, and knowing so many people who have gone on to have Alzheimer's, I am
55 sure that everybody in this Assembly would agree that it is something that we should all think
about, much as we do not like to think about it.

Thank you.

The Bailiff: Deputy Luxon.

60

Deputy Luxon: Thank you, Mr Bailiff.

Sir, as we said yesterday afternoon, this subject matter is very sensitive, very important, and it is
a policy letter that results, as I said yesterday, from a decision by this Assembly back in November
2013, during the Disability Inclusion Strategy, to actually bring these Capacity Law proposals back
65 to this Assembly. So, HSSD is complying with that very wise and sensible direction.

Sir, it is very easy – we have much information presented before us both in the Billets, but also
in contributions from Members – and it can become very confusing. I would just like to, in answer
to an email that we all received last night, from one of the professionals that were referred to in
the amendment debate yesterday, and this is from the consultant psychiatrist, the lead
70 psychiatrist. It is a brief email, but I am going to read it out – it is in response to the email
Members received last night:

I am writing to you in my capacity as Clinical Lead for Adult and Old Age Mental Health Services in Guernsey in
response to the recent concerns raised by a consultant colleague. As Deputy Hadley was a lone voice on the board, my
colleague is the same. The consultant body, with the exception of one, absolutely support the board in this proposed
new legislation in its entirety.

We recognise that there is a clear and concerning gap left by mental health legislation, which we have a legal and ethical responsibility to address as a matter of urgency. The proposal as set before the States gives us clear flexibility to take into account the recommendations of the current Law Commission Review which is currently awaited. Moreover early indications are that our proposals in this policy letter are similar to the anticipated recommendations of that review.

It is important to note that whilst Mental Health Service may be confident that all vulnerable individuals under their care are provided protection, there is a significant number of individuals across the Island who lack capacity that never have contact with our service. It is primarily for this group that the new law is designed.'

He goes on to say, sir:

'We will strive to keep both costs and the bureaucracy of this new legislation to a minimum to provide best value to the people of Guernsey. There will be a cost in terms of both the aforementioned, but we must consider these worthwhile in protecting the most vulnerable in our community.

As a Department we are justifiably proud of the improvements we have made over recent years, not least the implementation of a new Mental Health Law and the opening of the long awaited and purpose built Mental Health Unit. The introduction of a Capacity Law is the next vital stage along this journey of improvement to give the people of Guernsey a service which they deserve.

It is worth noting that prior to the implementation of our new Mental Health Law identical concerns were raised from the same quarters. These proved to be groundless and its implementation entirely positive.'

75 Sir, the reason I share that is to offer Members clarity. As I said it is very easy in this Assembly during debate that comments are made and opinions shared that can confuse an issue. It is important, and I would not want this issue to be confused.

80 Sir, just to remind Members, in November 2013 this Assembly agreed the absolute need for Capacity Laws to be brought back as soon as possible, and certainly within 2016. That is what we are doing. We have looked to model our proposals, using the experience of the England and Wales Act, as described yesterday. Using it as a reference point, but not replicating it, and equally so the importance of the DoLS aspect, the Deprivation of Liberty Safeguards, that is a matter that has been decided by European law in terms of human rights compliance, and it is of course important that we need to reflect that our Laws comply within that framework. The issue that was referred to yesterday, in terms of why not wait until we see the review recommendations in the UK, the policy letter before you clearly says that the legislation will come back to the Assembly, for approval, along with, incorporating any of the recommendations, or revisions, that are felt to be proportionate and applicable to apply to Guernsey's own interpretation of Capacity Law and Deprivation of Liberty Safeguards.

85 Sir, the policy letter, if Members read it carefully, you will see it absolutely talks about proportionality. It recognises not replicating the England and Wales law. That did go too far, that is being revised. We even talk about still having the flexibility to reflect on those recommendations from the review that hopefully will come shortly, and indeed, the early indications are, as the consultant lead said in his email I have just read out to you indicated, that it would appear that our proportionate approach to avoid unnecessary bureaucracy costs here in Guernsey is aligned to those early indications from that review. Members should be reassured, and it will come back to the States.

90 Sir, I would ask Members to support the policy letter to look after some of the most vulnerable people and allow them to be protected in the way that we all have protection.

100 Sir, I would just ask 'His' Majesty's Procureur just to confirm his view in terms of the appropriateness of the DoLS aspect of this Capacity Law, as the Law Officers and indeed yourself, sir, were consulted in the preparation of this policy letter.

Thank you.

105 **The Procureur:** I have had no indication that I am going to be appointed by the next monarch to the position that I now hold, and in fact I very much hope that my current boss outlives my announced intention to retire at the end of September.

But as the current monarch's Procureur, I certainly can confirm that my Chambers have been fully consulted on this throughout, and are very conscious of the difficulties that have been

110 experienced in another jurisdiction – and indeed another jurisdiction even further north, to which
Deputy Adam made reference yesterday – and that those are very much at the forefront of our
minds, and will continue to be in the drafting of the legislation in order to achieve a result which is
just, fair, fully compliant with appropriate human rights standards, and yet efficient and
proportionate for the society in which we live.

115 **Deputy Luxon:** Sir, can I just thank the Procureur for the second part of his answer. I have no
idea what he meant in the first part of his answer. *(Laughter)*

The Bailiff: Deputy Hadley.

120 **Deputy Hadley:** Mr Bailiff, I would first like to remind Members of the Assembly this policy
letter is as a result of a requête moved by Deputy Perrot, which I signed. So therefore, Members
should have no doubt that I support the introduction of a Capacity Law.

I do not, however, support 1f because of the approach made to me by someone I did not
know, had never met before, and that is the consultant psychogeriatrician, who is this Island's
expert in the field.

125 Now, yesterday this Assembly after a long day took a vote on my amendment regarding
Deprivation of Liberty Safeguarding. In the course of the debate, Deputy Luxon said that he had
email correspondence with the Island's expert, the consultant psychogeriatrician, and that he had
been assured that he was happy with the policy letter.

130 Members of the Assembly, last night I received an email from the consultant
psychogeriatrician, which you will not have seen, so I would like to read. The email goes:

'Dear Members of the States,

I understand that my views were somewhat misrepresented in the debate today on the proposed Capacity Law. I did
state in earlier correspondence that I will acquiesce and not raise further objections to the proposed Law, specifically
with regard to DoLS, as I was led to believe that any new legislation introduced in Guernsey has to follow existing laws
in the UK so as not to be blocked by the Privy Council. I thought that we effectively had no choice but to adopt a UK
version of DoLS if we wanted to have a Capacity Law in Guernsey.

If this is not the case after all, I would again suggest that DoLS is bracketed out of the Capacity Law for the time being.
This would give us the opportunity to incorporate the forthcoming findings of the Law Commission and/or shape the
relevant section of the Capacity Law in such a way that it meets the tests recently put forward by the Department of
Health in the UK. The Capacity Law would in itself, without DoLS, enshrine the need to act in the best interests of
patients who do not have the capacity to make decisions about their care arrangements.

In the United Kingdom too the Capacity Act was initially introduced without DoLS.

Reflecting on escalating costs associated with DoLS in the UK, the Law Commission is likely to propose an alternative
way of supporting incapacitated patients who would be considered as being deprived of their liberty.

I remain of the opinion that if the policy paper is passed, we may have to carry out many unnecessary assessments in
order to establish patients' viability to be formally detained under DoLS. This would not represent a wise use of limited
resources. I believe that the cost of setting up an Independent Care Commission, along with staff training, would be
better spent on more community nurses and social workers.'

Now, Deputy Luxon also ... That email was sent out, because we are spending a lot of money
by passing the legislation on DoLS, and I thought it was right that Members should be aware that
I was, as I saw it, faithfully representing the position of the consultant psychogeriatrician.

135 Now, last night, if Members can bear with me a little bit, Deputy Luxon, obviously a bit upset
by my email, sent an email to the consultant psychogeriatrician. The first email he sent said:

'Please can I ask why it is that you think you were being misrepresented today, by whom and in what way, and who
indicated such to you, and what exactly was said regarding any supposed misrepresentations? I ask this as Minister of
the Department.'

Because he did not get a reply, having sent it to the consultant's home email address, he sent
another email this morning, on the official email address, saying – this is the email from Deputy
Luxon:

'I have spent most of last night dealing with the fallout from your email to Deputies. May I ask, may I have clarity in response to my questions please? The States' sitting commences at 9.30 a.m. I went into a 7.30 meeting at the PEH from which I sent the email below.'

140 The consultant then replied – and this is important, Mr Bailiff, because this is the Island's expert on Capacity Law. The consultant replied:

'Dear Paul,

I tried to explain my position after you asked me to do so, in two emails to you of 15th January. I would be happy to forward them to you again if you wish.

The slight misrepresentation refers to my supposed agreement with the policy letter in respect of the DoLS section. I did state sometime after the meeting chaired by Heidi that we may have no choice but to adopt the whole MCA including DoLS, as I was told the Policy Council would otherwise oppose it. But this did not represent a change of opinion about the matter itself.

You will be in the best position to judge as to how much we can diverge from the UK in new legislation. I appreciate Ruby's assurances that we will not have a bureaucratic system in Guernsey but I cannot understand why the DoLS section in the policy letter had to be written in close adherence to UK practice and legislation, and why it could not be changed in line with those assurances.

I appreciate that this is an important decision and I hope to have informed the debate somewhat. The decision of the States will, of course, be binding to me and I will fully co-operate with any new legislation, whatever my views may be, or may have been, in the debates leading up to it.'

145 Now, all of this is very important, because Deputy Luxon has said that I am a lone voice, and indeed the consultant psychogeriatrician is a lone voice. Indeed, even if he is a lone voice ... and he is not a lone voice, because I think he is still supported in his worries by the other psychogeriatrician. I also was assured last night that one of the other psychiatrists in the Department, who obviously I will not name, was also unhappy about this legislation, and that some general practitioners have expressed concerns about this legislation.

150 But the essential thing is that the consultant psychogeriatrician only agreed to withdraw his opposition after the meeting, because he thought it would delay the capacity legislation that he believes is urgently needed. If doctors who look after vulnerable sick people do not want this policy letter agreed, then we should be concerned.

155 I should also emphasise that an attempt to trivialise my views was also made when it was said that I spoke to a visiting judge to the Island at a drinks party. That is a total misrepresentation. I spoke to a Lieutenant Bailiff of the Royal Court at a lengthy dinner engagement. It was not a quick visit by a visiting judge, and the Lieutenant Bailiff concerned, whatever the views of our eminent Procureur or anybody else in the Royal Court, this particular judge, who still works as a judge on this Island has been a circuit judge in the United Kingdom and has serious reservations about us introducing the DoLS legislation.

160 Now, the other important issue that Members should remember, because we are concerned about the cost of our services, is that some years ago the Health & Social Services Department decided that it was wrong to inspect its own care homes. So staff were moved from the Health & Social Services Department to the office of the Director of Environmental Health & Pollution Control, because she is an independent regulator reporting directly to the Policy Council. Extra staff were employed in the Department of Environmental Health to undertake this role.

165 Now, the staff are still in the Department, but the inspection has been removed by HSSD back into the Department itself. This means, now, that the Department is in the position of inspecting its own care homes, which is a most unsatisfactory situation. Indeed, that is why in the policy letter it is now having to suggest setting up an independent Care Regulatory Commission. We would not need to set up an independent Care Regulatory Commission if the decision of the Health & Social Services Department some years ago had not been reversed by the current management of the Department. If the inspection of care homes were to be given back to the Department of Environmental Health, we will not need the Commission and we will save a lot of money.

170 So, all in all, we have a badly thought-out policy letter, replicating legislation, and I know in the letters the consultant psychogeriatrician referred to the United Kingdom – well, of course, he is wrong; it is of course, England and Wales, because Scotland has the powers devolved to it. I think

175 it is a pity that we end up in this Assembly disagreeing with each other. But I have no choice, and I
would assure Members of the Assembly that I would not have taken this issue up at all if I had not
been approached by the one person on the Island who is an expert in this field. I have not any
personal agenda to follow, which I am constantly being accused of. I am just concerned that this
180 Assembly, and indeed the Health & Social Services Department, listens more to its own
professionals who are experts in the field.

So, I urge Members to vote against 1f, because I will ask for a recorded vote at the end of this
debate.

Deputy Luxon: Just a point of correction, several points of correction.

185 Sir, Deputy Hadley made reference to the advice he had had from a judge. There is no
evidence of that, other than Deputy Hadley's memory of a conversation around a dinner table.

Sir, this policy letter is not flawed as Deputy Hadley said. It is a very balanced policy letter that
has been through the full due process, and I do wish Deputy Hadley would not make those
inflammatory remarks.

190 Thank you, sir.

The Bailiff: Yes, Alderney Representative Jean.

Alderney Representative Jean: Thank you, sir.

195 I am very grateful to Deputy Hadley. I am also grateful to Deputy Hunter Adam for their expert
opinions yesterday, which were very, very interesting.

I also thought that the speech by Deputy Dave Jones pocketed this up; talking about
particularly from this psychogeriatrician who has written in and showed that it will result in a lot of
extra expenditure.

200 The point for me is – it was well explained as well by my colleague Graham McKinley yesterday,
Alderney Representative – that it does not fit in for Alderney and it is going to be difficult because
of the situation there, but the main point for me is this extra information that has come to light
today. The difficulty is where the policy letter, the bulk of it is good, as has been explained, but the
DoLS section is flawed, and I am asking that if another amendment cannot be placed, since
205 people will not take notice, that we actually ... I would be willing to second or propose an
amendment to have this section removed for now, and perhaps incorporate it later, in a form that
is specifically tailored for Guernsey. I think it is very important and otherwise I am going to be in a
situation, with quite a few people, through this information, that I am actually going to have to
vote against the whole policy letter, because I really cannot allow something like that to stand. I
210 cannot.

I thank you again Deputy Hadley, and those who have given these opinions, and I am grateful.
I am not in any way trying to be offensive to the HSSD board. This is a matter where we should
take care. This is a matter of expenditure. This is a matter of importance, and if we do not take
notice of these kinds of things, and we are going to just accept an assurance that it will be all
215 right, and it will come back in the second reading. We should deal with this now. There we are.

Thank you, sir.

The Bailiff: Deputy Adam.

220 **Deputy Adam:** Thank you, sir.

Sir, I start by saying I totally agree with those who have stated that we require a Capacity Law.
It is a necessity. But, sir, I have got one or two queries that I would like answered.

225 First of all, the policy letter is informed by provisions of the Mental Capacity Act 2005 which
applies only to England and Wales, and please stop referring to it as a UK law, because it is not a
UK law.

We have all heard Deputy James describe the problems with that law. Can I ask did the Department consider provisions for safeguarding welfare and managing finances of those who lack capacity that are in place in other parts of the UK? These may have offered a more appropriate model.

230 Sir, I have to accept that I know more about the Scottish situation, because both my wife and I have had elderly parents who required us to know about these things due to our personal circumstances.

235 Section 3 explains the test necessary to establish that a person lacks capacity. It refers to family members, carers, care professionals, as decision makers. I am not clear whether a statutory assessor will be required to confirm lack of capacity, and whether there must be authorisation either from the court or a States' body to allow a carer, or care professional, to make decisions on behalf of a person with incapacity. I would appreciate clarification.

240 Section 4 relates to two different means whereby someone can be authorised to act on behalf of a person lacking capacity. One is Power of Attorney and one is guardianship. Paragraphs 4.3.7 and 4.3.9, new Lasting Power of Attorney, appears overly bureaucratic. Again, sir, from personal experience of proposals in Scotland, it appeared simpler than what is in this States' Report.

245 In Scotland two forms of Lasting Attorney can be granted, continuing to manage financing and welfare, to deal with health and welfare. It is set up through a solicitor – sorry, that it equivalent of an advocate in Guernsey. A solicitor or doctor signs the certificate to confirm person is competent to grant PoA. It is a named attorney who has to sign to confirm willingness, and it has to include details of how incapacity will be determined, usually by a doctor. The document is registered with the Office of Public Guardian, cost to prepare similar to a will, and cost to register £75. That is how it is done.

250 Section 4.4 really refers briefly to existing Guernsey procedures for guardianship and proposes no new form of guardianship. There is a paralegal procedure in Scotland where the court can authorise a proxy to act on behalf of someone with incapacity. It is used when there is no existing Power of Attorney. Any individual may apply to court to be appointed as guardian. When no one, applies the local authority may apply. The court is responsible for ensuring that the adult does lack capacity, and there are no other means to safeguard their interests. This system appears to work well, and I wonder whether there should be further development, rather than creating new regulatory structures.

260 Lastly, sir, section 8, people have mentioned costs in relation to implementation of this one, and comparing it with the Mental Health Act. Concern that the Department will have difficulty in absorbing costs within budget without impacting on other services. Once you have legislation in place, then that legislation has to be followed and you have to pay for the costs of it. There is no way of prioritising legislation.

265 Just one or two comments that have been made. I considered that Deputy Bebb's speech was highly relevant. I fully agree with him concerning issues in relation to advance directives. At the time of the debate we had on euthanasia, which was several years ago, there was a minority report that was brought by the previous Deputy Peter Roffey, the present Deputy Francis Quin and myself, and it was in relation to Death with Dignity, and I, like Deputy Bebb, fully agree with his opinion in the way he wants to be managed in certain situations, and I think it is very relevant to ensure that that information is available. I feel people should be doing it at a time when they have capacity to do it, but then you have to get it registered, either with the advocate, the GP, and once the Princess Elizabeth Hospital is functioning fully, it will have a centralised database concerning one's medical wishes in place, and that should be a failsafe system, one hopes.

270 Secondly, sir, I have heard a bit about consultant opinions. Sir, I was once a consultant obstetrician and gynaecologist, and I certainly might be considered a fairly highly opinionated one at that! I accept that we have the right to have our opinions concerning our medical profession. Therefore I can fully understand a psychiatrist's opinion may differ from a psychogeriatric's, but at the same time, I think we have every right to state what the one said who did not agree with this system, and is not too happy about DoLS.

280 In his letter he keeps talking about 'the UK law'. I am sorry, sir, that frustrates me like anything, because there is more than one law, and sir, if it is not inappropriate, I would like, through you, sir, to ask the Procureur if the Law Officers actually have looked at the Scottish and Northern Ireland law and see how appropriately it may help in drafting of legislation for Guernsey.

285 **The Procureur:** I have been advised that my colleagues have specifically, and thoroughly reviewed the Scottish law, and are aware of the current work of the Scottish Law Commission in relation to it. I could not answer definitively whether Northern Ireland legislation has been considered, but I would expect that if it has not been ... Well I know that if it has not been it certainly will be as one of the models which will be looked at in the implementation of the legislation. But certainly Scotland has.

290 **Deputy Adam:** Thank you for that information, sir.

Lastly, Deputy Hadley mentioned the independent Care Commission. Sir, in the report it says it should be either independent, or *quasi*-independent. I agree with him it has to be independent and at arm's length, like other regulation of facilities that have connections directly with HSSD. That cannot and should not – and Deputy Luxon actually agreed with my comments I made concerning regulation, it cannot have been last week, it must have been the previous States' meeting, when we were discussing regulation and the problems if it is not at arm's length and by a different Department. I do not know – I assume Deputy Hadley has been accurate in saying it has been taken back over by HSSD, and I just wonder how appropriate that is.

300 Sir, I would ask people to fully support this Capacity Law, except 1f, for all the reasons that have been stated. For that reason, I do not think it is necessary to have another amendment. You simply vote against 1f, which is the introduction of Deprivation of Liberty Safeguards, as proposed in section 5.2.

Thank you, sir.

305 **Deputy Lester Queripel:** Sir, can I invoke the Guillotine Rule, please?

The Bailiff: The Guillotine Rule, yes.

Members, I put to you then the proposition that debate be closed.

310 **Deputy Brouard:** Sir.

The Bailiff: Yes.

Deputy Brouard: May, I be *relevé*?

315

The Bailiff: You may be *relevé*, Deputy Brouard.

I put to you the proposition that debate be closed. Those in favour; those against.

Members voted Contre.

The Bailiff: Debate will continue.

Deputy Perrot.

320

Deputy Perrot: I am grateful to the Health & Social Services Department for bringing this policy letter. Unlike Deputy Hadley, I do not think that it has been badly drafted at all.

325 I am, of course, particularly grateful that the proposals embody my original request for consideration of Lasting Powers of Attorney. I have to admit that I was too cowardly to try to face down the then Advisory & Finance Committee in 1982, which was when I wanted to bring it in. So

for me this is coming in 33 years late. I do welcome it, and I am terribly grateful for the fact that it has come in relatively quickly.

330 Deputy Hunter Adam was saying that he thought that the system for Lasting Powers of Attorney as proposed were overly bureaucratic. I do genuinely struggle when reading the policy letter to see anything touching being over bureaucratic in what is proposed, in that Lasting Powers of Attorney simply will need to be registered at the Greffe. That is what I proposed in April 2014, when I originally brought this requête. At that time, Deputy Adam actually voted in favour of that requête, and I had suggested what is now set out in the policy letter, so perhaps he has had a change of heart, maybe because things are so wonderful up in Scotland. Actually, he has 335 been banging on about the fact that Scotland falls outside the reference to England and Wales, but in these matters, the law of Scotland does not have a monopoly of good sense. I think that what is being proposed here is an absolutely terrific system for Guernsey.

340 As to Deprivation of Liberty, well people will either vote for or against that, I do not see that any amendment is due in respect of this, as suggested by Alderney Representative Jean. We have heard at some tedious length now about various emails which have passed backwards and forwards. I do not think that that has taken the debate any further at all, except it is just further evidence from Deputy Hadley that he is anxious to show that he is the only one marching in step. *(Laughter)*

345 So far as the overall proposals are concerned, what we are going to have, really, is a three-tier system of care. We will have day-to-day decisions made by what are referred to in here technically as decision makers. We will have the donees under Lasting Powers of Attorney, and we will also have, of course, and it must remain, the overarching control – the very important overarching control – of the Royal Court in relation to guardianship.

350 I have taken the time to speak to Health & Social Services about just one anxiety which I have got, as to how there is to be some sort of jurisdiction over decision taking. The reason why I have got some nervousness about this is that over many years I have seen abuse of process by people who are acting as guardians, or actually not as guardians, but simply what we will now be referring to as decision makers. Unfortunately, with the development of litigation in Guernsey, so we see some of these things which would normally be disposed of in the Royal Court in a day or 355 so, these are being translated into enduring cases which involve eye-watering costs. It is not for me to be denigrating my own beloved profession of the Law, but it is quite easy sometimes to see grandstanding lawyers wishing to impress their clients and making cases last for far too long.

360 What I have in mind, and this is what I have discussed with HSD, and I hope that Deputy James in her summing up will give me some reassurance that something will be done about this. What I have in mind is some sort of – oh, am I being ... ? Oh no, do please take a seat. *(Laughter)*

365 What I have in mind is some sort of summary jurisdiction of the Royal Court, not the Royal Court in its full majesty as being a centre for litigation, but, if you like, the Royal Court sitting as the magistrates' court does, to sit as a court of summary jurisdiction, so that in the event that there is an abuse of process, there can be a reference to the Royal Court. The Royal Court can then deal with the matter on a summary basis, without all of the pleadings which go with litigation, and this would certainly apply both in respect of the decision takers, who are getting an indemnity under the Law ... Well, the indemnity is fine, but if they abuse their position it seems to me that there ought to be some sort of easy system of control, and the same with people who are donees under Lasting Powers of Attorney.

370 I think that is about all that I need say on the subject, but I do welcome this legislation. I really thought that this was something good coming out of the States. So often we have plans, strategies, all couched in vague language. This is something positive, it is real, it will help people, and how sad it is that we are bringing divisiveness into this – division – 'divisiveness', is that a word? No, it is not, I do not think – division into something which we all ought to embrace for the 375 good of our elderly and infirm.

Deputy Hadley: Point of correction, sir.

The Bailiff: Deputy Hadley.

380 **Deputy Hadley:** I do not think I said that the policy letter was badly drafted. I made it very clear that I object to one section of it in 5.2.2, which I think takes up one page of the policy letter.

I also resent the suggestion that this is me, the only person out of step again, because I have indicated in debate that to my knowledge, three psychiatrists in the Department have reservations about this legislation.

385 I also deprecate the remarks of Deputy Luxon who suggested I am lying about a conversation with the Lieutenant Bailiff, and I am sure that when the Lieutenant Bailiff returns to the Island that we can have the record put straight.

Deputy Perrot: Responding to that point of correction, sir, *Hansard* will show that Deputy Hadley used the words 'this is a badly drafted policy letter'.

A Member: Hear, hear.

Deputy Luxon: Sir, a further point of correction.

395 I did not infer that Deputy Hadley was lying. What I said sir, was that there was no evidence that that which he purported to have been the assertion made by that person was fact. That is all I was saying. And there are not three people in the Department, clinicians, that oppose the DoLS. There is not.

400 **The Bailiff:** Can we move on. Deputy Rob Jones.

Deputy Robert Jones: Thank you, sir.

We are getting rather bogged down, sir, with the section on DoLS. I understand the concern, but I think if anyone has any concerns over 1f, I think they should just re-read – or *read* – section 5 again, because it is quite clear that the Department is fully aware of the flaws in the 2005 Act.

405 It goes on, it talks about the Lords Select Committee Report. It is quite clear that the Department ... and it says, it states here 5.1.6:

'the Department is determined that lessons should be learned from the difficulties experienced with the DoLS framework under the 2005 Act and that the system should be appropriate to the size and administrative resources of Guernsey.'

410 Sir, it is wrong to say this letter is flawed, and I disagree with Alderney Representative Jean on that point. He may wish to re-read section 5. Towards the end of that section it says:

'The Department will carefully monitor the comments made to the Law Commission,'

– because the Law Commission is in consultation –

'along with the conclusions reached by it, in order to inform the drafting of the legislation.'

415 We have also heard the Procureur's confirmation that the Law Officers are fully aware of the flaws. In the process that we will have we have under the Scrutiny Management Committee going forward next year, we will have the Legislation Review Panel, and I would fully expect with the experience that I have had for the last four years, that when they review the draft legislation they will be fully aware themselves to the concerns of the legislation in England and Wales and that will form part of their scrutiny process in terms of ensuring that those concerns are addressed.

420 I think rather than getting bogged down at this stage of the process, we should proceed with the approval of 1f, along with everything else in relation to this report, and get on with the business.

Thank you, sir.

425

Several Members: Hear, hear.

The Bailiff: Alderney Representative Jean.

430

Alderney Representative Jean: Pont of correction.

It is not a question of whether Deputy Jones disagrees with me. The problem for me is that we should not be taking the risk of passing this section through, the section on DoLS. We should just pull it away for now and look at it later. To me it is rather important.

435

The Bailiff: That is not a correction, no.

I see no-one else rising, Deputy James will reply to – oh Deputy Gollop, just in time.

440

Deputy Gollop: Yes, well, we are changing, as my colleagues have reminded me, there are still people here in the Chamber who may have served as Constable, when they had the political ... well, the power to detain somebody under the old Mental Health Law, and I think that is important to remember.

445

I think it was a close call yesterday whether I supported Deputy Hadley's amendment or not, but the reality is that we do need to see a more unified Health Committee, and we are not qualified, as Members of this Assembly, to make on-the-hoof judgements about extremely complicated legislative and clinical matters.

450

If these points had been put before us in a variety of presentations, with expert opinion given us from both sides, then it would be easier to make a quick judgement. But this has clearly been looked at carefully by Health & Social Services Department, in conjunction with the Law Officers, and professional advice. They have clearly been inspired by Deputy Perrot, and others, who have set the framework, and they have looked at what is offered in England and Wales, not Scotland. They have seen the pros and cons, they have tried to simplify it for Guernsey, because we do not necessarily want big law here.

455

But at the same time, and the main reason I am standing up, there has been a call from disability groups, and also from mental health organisations, to have a fully robust Capacity Law, the capacity legislation that to a degree replicates what is done in England and Wales. The reason why we do have to follow our neighbour to an extent here, at least initially, is not because they have the best model, or because we will slavishly bow down to anybody from the NHS, or the Ministry of Justice, or anyone else. It is because the professionals who come to work in Guernsey or are trained, generally speaking, have had experience and education in the England and Wales system. It is only right that people here should have the same standards of care and the same expectations as people elsewhere.

460

Now, I think this is all a part of not just mental health modernisation, but a way of improving regulation for the care homes. That is important to remember too. Especially as we are developing supported living and extra care.

465

So I think we should get on with this, and support Health & Social Services main stream, and if necessary, look again at the legislation when it comes back to the Assembly.

The Bailiff: Yes, Deputy Soulsby.

470

Deputy Soulsby: Sir, yes.

I will be brief, Members will be glad to hear.

Sir, this is not a health issue, although it is more applicable in health and care settings. It is a human rights issue. It is about how we protect the liberty and dignity of those citizens among us who are the most vulnerable to having their freedom of choice taken away.

475 Sir, I think HM Procureur has made it very clear this policy letter has been written to be human
rights compliant. Just taking out the Deprivation of Liberty Safeguards will just lead a coach and
horses through it. It is the flip side. Capacity Law results in giving us powers over someone
without capacity. Deprivation of Liberty gives that person protection. It is a simple as that. That is
why it is required. That is why if we do not include Deprivation of Liberty Safeguards, Privy Council
480 are quite likely to throw it right back at us.

Now to cost, comments made by Deputy Dave Jones yesterday just exemplify why Mental
Health Services have been the Cinderella of our services for so long – so much easier to spend
money on drugs and operations. Of course, we would like more investment community nurses
and social workers. It is needed, but it must not be a binary choice between one or the other,
485 because that is simply not the reality.

This is, as Deputy Perrot has said, a good news story, and I urge Members to support this
policy letter in full.

Deputy Hadley: Could I ask the Procureur, sir, to give us his view on that, because Deputy
490 Soulsby has just said that if this policy letter today has not got 1f in it, it will be struck down by the
Privy Council.

The Bailiff: Mr Procureur.

495 **The Procureur:** What I will say is that nothing will go before the Privy Council until the Law
Officers have thoroughly considered the human rights and all other implications, and are able to
offer appropriate advice as to compliance.

The Bailiff: Deputy James.

500 **Deputy James:** Thank you, sir.

Can I, for clarity, point out to the Assembly that the current law in the UK is called the Mental
Capacity Act. Our Mental Health Act in Guernsey currently covers people that lack capacity, that
have mental health problems, issues, illnesses. That is why Guernsey has been quite specific in
referring to this Law as a Capacity Law.
505

The current legislation in place that we have does indeed offer protection to people who are
patients of HSSD and clients. There are a huge amount of people out there in their own homes, in
nursing homes, in residential homes, that currently have no protection whatsoever, and this is why
Guernsey is choosing to call this piece of legislation, when it comes back to us, the Capacity Act.
510 So please bear that in mind.

The one other issue that has irritated me: we have heard a number of people referring to
others as 'experts'. Three people have been identified in this debate as experts. Now the author of
the email that you all received last night has been referred to by Deputy Hadley as the 'expert in
Guernsey on mental capacity', because he is a psychogeriatrician. I would challenge that, and I
515 would remind you of the email that Deputy Luxon read out this morning. For those of you that
perhaps were late coming in to the Assembly or were not quite awake, (*Laughter*) he said quite
clearly:

'As Deputy Hadley was a lone voice on the board, my colleague is the same. The consultant body, with the exception
of one, absolutely support the board in this proposed new legislation in its entirety.'

So, could I please, I do not want to re-read that, but I think it is essential that you take that on
board.

520 Deputy Hadley started off by saying there was one consultant geriatrician against this. Then at
another point it went up to two doctors object to it. This morning it is three, so I leave that with
you. You make that determination.

525 So, let's look, the people that I am going to respond to were Deputy Jones in his impassioned speech yesterday about how health and services actually distribute or use their budget, but I think in fairness Deputy Soulsby has addressed that.

530 Deputy Ellis Bebb, I could not agree more with his comments about advance directives. I think it is an area that is difficult for people to address. Advance directives are so incredibly important, and I like the suggestion that Deputy Bebb mentioned, as to people really seriously considering to have provision in their wills for those advance directives. I think the only issue, unfortunately, when people are sick, and they are in hospital, the only thing that they are asked, or relatives are asked, is if they want a 'do not resuscitate' policy. I think, whilst it is very important, decisions for relatives to take in such incredibly emotional times are not the best time for relatives and patients to be asked that sort of question. So, I do think that we have to make people more aware, and alert them to the huge importance of taking those crucial decisions.

535 In relation to Deputy Perrot's concerns, and I thank him for giving me the opportunity to further explain that, I think it was rather remiss of me not to perhaps have addressed it in my opening speech. On that, I would like to say to Deputy Perrot, through you, sir, it is clear that those caring for vulnerable members of the community should also be held accountable for their care in a way that is meaningful, and that there should be a clear and simple process to report a decision maker swiftly, in the event of poor decision-making, or any suspected fraudulent behaviour. The Department is exploring options for how this will happen in as speedy and transparent manner as possible. One option is via oversight and scrutiny by the new HSSD Safeguarding Unit, where there will be a responsible officer who will investigate any potential abuse of process, and manage it within the safeguarding adults' procedure.

540 So, I would like, sir, to just repeat again the comments from the email that Deputy Luxon read out. The contents of that email from the senior psychiatric lead is really powerful, as far as I am concerned. I welcome and thank very much Deputy Perrot's positive comments about it. What saddens me is some of the arguments, some of the debate that I have heard were very similar to when Guernsey was to look at introducing its new Mental Health Law, a law that was 50 years out of date, and I heard Members, not necessarily of this Assembly, but certainly Members in the past, that said can we afford to do it. Well, I would say can we, as a decent civilized community, afford not to protect the most vulnerable people in our community?

550 I ask you Members, please search your consciences and support the whole of the recommendations in this policy letter.

555 Thank you.

The Bailiff: Before we go to the vote, Deputies Langlois and Le Tocq, do you both wish to be *relevé*?

560 **Deputies Langlois and Le Tocq:** Yes, please, sir.

The Bailiff: Well, Members, the Propositions are on page 1801, they have not been amended, they are as printed there. I will put to you first Proposition 1a through to 1e, then we will take a separate vote on 1f. So what I am putting to you is 1a to 1e, those in favour; those against.

Members voted Pour.

565 **The Bailiff:** I declare them carried.
Next Proposition 1f.

Deputy Hadley: Can I have a recorded vote on this?

570 **The Bailiff:** There is a request for a recorded vote. This is on the introduction of Deprivation of Liberty Safeguards as proposed in section 5.2 of the policy letter.

There was a recorded vote.

Carried – Pour 34, Contre 11, Ne vote pas 0, Absent 2

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Harwood	Deputy Sherbourne	None	Deputy Spruce
Deputy Kuttelwascher	Deputy Le Pelley		Deputy Burford
Deputy Brehaut	Deputy David Jones		
Deputy Domaile	Deputy Laurie Queripel		
Deputy Langlois	Deputy Lowe		
Deputy Robert Jones	Deputy Paint		
Deputy Le Clerc	Deputy Adam		
Deputy Gollop	Deputy Sillars		
Deputy Conder	Deputy Hadley		
Deputy Parkinson	Alderney Rep. Jean		
Deputy Bebb	Alderney Rep. McKinley		
Deputy Lester Queripel			
Deputy St Pier			
Deputy Stewart			
Deputy Gillson			
Deputy Ogier			
Deputy Trott			
Deputy Fallaize			
Deputy Le Lièvre			
Deputy Collins			
Deputy Duquemin			
Deputy Green			
Deputy Dorey			
Deputy Le Tocq			
Deputy James			
Deputy Perrot			
Deputy Brouard			
Deputy Wilkie			
Deputy De Lisle			
Deputy Inglis			
Deputy Soulsby			
Deputy Luxon			
Deputy O'Hara			
Deputy Quin			

The Bailiff: Members, the voting on Proposition 1f was 34 votes in favour, with 11 against. I declare proposition 1f carried.

575 Next we vote on Propositions 2 through to 4. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

Happy Birthday to HM Greffier and Deputy Quin

Deputy Trott: Sir, before you call the next item, debate on the last item, naturally drew my attention to HM Greffier, who I believe is celebrating a birthday today.

580

The Bailiff: Happy birthday.

Deputy Luxon: Sir, Deputy Trott might be clever but Deputy Francis Quin, the oldest Member of this States, is also celebrating a birthday today.

585

The Bailiff: Happy birthday to him. *(Applause)*

Deputy Quin: I thought I had been very clever and I would link my birthday with the last day in this Assembly, I think that is not going to happen. (*Laughter and interjections*)

590

The Bailiff: So, Greffier we are moving on to the SWBIC policy letter that was decided yesterday evening.

SOCIAL WELFARE BENEFITS INVESTIGATION COMMITTEE

IX. Social Welfare Benefits Investigation Committee – Comprehensive Social Welfare Benefits Model – Debate commenced

Article IX

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 30th November, 2015, of the Social Welfare Benefits Investigation Committee, they are of the opinion:

1. To agree, subject to funding being available, from January 2017 or as soon as possible thereafter, and subject to indexation as will in due course be proposed by the Committee for Employment & Social Security:

a. the rent rebate scheme be closed over a transitional period of 3 years;

b. the short-term rates and long-term requirement rates for supplementary benefit be as set out in paragraph 87 of that Policy Letter;

c. the capital cut off limits for eligibility for supplementary benefit shall be as set out in paragraph 113 of that Policy Letter;

d. the provisions in the supplementary benefit legislation concerning assumed income on capital shall be repealed;

e. the system of maximum rent allowances within the supplementary benefit system be extended to include maximum rent allowances for families with 1, 2, and 3 or more children at the rates set out in paragraph 126 of that Policy Letter;

f. the assumed contribution from a non-dependent adult living in the household of a person receiving supplementary benefit shall be £75 per week;

g. a non-householder rent allowance of a maximum £75 per week shall be introduced for non-dependent adults receiving supplementary benefit who are living in the household of another person;

h. an extra needs allowance be introduced to the assessment of supplementary benefit, as set out in paragraphs 142 to 152 of that Policy Letter.

2. To direct the Committee for Employment & Social Security to report to the States of Deliberation, no later than October 2017, with recommendations for reform of the arrangements for winter fuel allowances to householders receiving supplementary benefit.

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

4. To transfer responsibility for implementation, or arranging for implementation, of such of the above propositions to the Committee for Employment & Social Security following dissolution of the Social Welfare Benefits Investigation Committee with effect from 1st May 2016.

595 **The Greffier:** Billet VII – Article IX – Social Welfare Benefits Investigation Committee – Comprehensive Social Welfare Benefits model.

The Bailiff: Debate will be opened by Deputy Le Lièvre.

Deputy Le Lièvre: Thank you, sir.

600 Mr Bailiff, Members of the Assembly, I would like to thank the Chief Minister and the Policy Council for agreeing to propose that the Committee's policy letter be considered at a stage earlier than prescribed and also the Assembly for permitting this to happen.

605 Now, I must commence this speech by offering my sincere thanks to the political membership of the Social Welfare Benefits Investigation Committee, and to the officers of the Social Security and Housing Departments, all of whom have worked tirelessly to achieve the outcomes you see before you today. Whereas chairing the Committee had the potential to be a nightmarish task, the reality was very different. For sure, there were differences of opinion, one would expect no less given its membership, but the Committee has conducted itself in a most professional, and business-like manner throughout its deliberations. I thank all concerned for their support, input
610 and patience over the last two years.

Now, I do not believe it is necessary in this speech to dig into the detail of the policy letter, because it is written both clearly and succinctly. The messages it carries require no great explanation.

615 This is the third attempt to unify the Island's most major social welfare benefits systems. The first attempt failed because it was deemed to be too expensive, and the second, possibly because it lacked general agreement from within. However, progress is achieved often on the experience and foundations laid by others, and none more so than in the case of this Special Committee of the States. The Committee has built on the work carried out in 2012 and 2013: to do otherwise would have been nonsensical. What you see before you today is a scheme based on an in-work
620 benefit for those that are able to work. The presumption is work first, benefits second. Nothing achieved and approved in 2012 and 2013 has been set aside or otherwise watered down for 2016.

The Committee's work is founded on an adaption of the minimum income standard research used previously in 2012, which has been 'Guernsified' and this has produced a set of extremely comprehensive shopping baskets that represent all those items that would be required by a
625 variety of family units to make life tolerable. In conjunction with the foregoing, the Committee produced its own definition of poverty, which is:

'the income of an individual which Guernsey as a society (represented by the States) considers it to be intolerable for that individual to be expected to live.'

The definition of poverty greatly assisted the Committee in the creation of the 'Guernsified' baskets. In turn these baskets have been converted into a set of benefit rates. The process of conversion has involved, as it is bound to, a degree of what feels right in certain circumstances.
630 Whilst we might all like to think we could design a process that produces a figure that falls out of the end of a machine, I can assure you that no such system exists. The final design will always – I repeat *always* – involve an element of human involvement that adjusts and moulds the resulting benefit rates into a viable package. Nevertheless, the Committee is confident that the processes employed will enable future Committees to repeat its works precisely, adapting and modifying it
635 to meet the needs of a changing population with constantly changing needs and requirements. This time-consuming but exacting process ensured that what was good in 2016 will be good in 2020 and 2030, providing the confidence that this most important of social welfare benefits maintain its real purchasing power.

640 Sir, it is a generally held view, and not just by tenants, that the rent rebate scheme has always been far more generous than the supplementary benefits system. Indeed many tenants have expressed considerable concern that the removal of the rent rebate scheme will (a) reduce their income; (b) require them to claim a benefit they do not want or need; and (c) expose them to unnecessary interference from Social Security. In fact, it is the latter fear that has been expressed most often and most vehemently. It has come as a shock to those tenants I have visited, when
645 they learn that not only are they not going to lose out but will actually end up better off and significantly so in some instances. In these circumstances the objections to receiving a benefit tend to subside, but the very real fear of being regarded as a benefit claimant remains.

650 Many tenants are already concerned that they are viewed negatively by the Island's population
as a whole, and being further regarded as a group that is supported more generally by the
taxpayer will, they believe, not enhance their image. A significant uphill struggle faces the new
Committee for Employment & Social Security in changing the perceptions held by tenants and by
the public alike. I have no doubt that they will succeed in this task, but it will require some
considerable investment in time and effort. A healthy relationship between a landlord and tenant
is a vital one, and no less so when the landlord also helps to pay the rent. That must be of mutual
655 respect and co-operation will need to become the dominant culture for all parties.

So why, if the current rent rebate scheme is so generous, have so many tenants ended up
better off? A simple answer is the rebate scheme is not universally generous. It is at the upper end
of the scale, and in some instances at very low levels of income, but elsewhere, especially in
relation to larger families on modest incomes it performs quite badly. Hence the reason some
660 families will do so well under the rules of assessment associated with the income support scheme.

There will however be losers when the schemes are unified, tenants with relatively high
incomes, particularly those with non-dependents in their homes, might find they have to pay
more rent than they do now. These tenants will be given up to three years to adjust to these
circumstances through a transition process. The fact that the scheme has winners and losers has
665 helped to fund the improvements to the existing scheme, the overall effect being a redistribution
of benefits rather than simply seeking funding from the Treasury to keep benefits artificially high
at a significant cost to the taxpayer.

Were it not for this redistribution process within the two systems, the current estimated cost of
£3.5 million would be considerably higher. I would also point out that over £1 million of this
670 expenditure relates to the provision of medical cover and winter fuel costs for the new entrants to
the scheme. These costs are unavoidable, because the basic components of the income support
system, the shopping baskets, make no allowances for these areas of expenditure.

Now, I am aware that there is some concern that provision of this medical cover will lead to an
increased number of families putting additional strain on secondary care services in the short
675 term. I am afraid that this is an inevitable consequence of bringing new business into the income
support system. What the States must appreciate is that at present many children in low income
families experience a level of access to GP services much lower than would be regarded as
healthy. This is wholly unacceptable. Access to medical services is one of the most important
aspects of this scheme, especially for those families with young children, as I have just said. In the
680 long term, this potential for improvement in the health of young children should prove to be a
valuable investment for the community as a whole. An unhealthy child with a poor school
attendance record is also a child that will never perform to their optimum.

Now, just a few words on a perennial issue with Guernsey's benefit system dating back to 1955
and probably before. The Committee has not sought to increase the income support benefit
685 limitation as part of its review. The reason for this is twofold: (a) to recommend an increase to the
benefit limitation at the same time as expanding the scheme very significantly was thought
imprudent, with possible significant cost implications, as was the case in 2012; and (b) the benefit
limitation is not exactly what it purports to be, it is not a hard and fast figure. In fact it fluctuates
depending on the number of dependent children, and the number of employed persons that are
690 contained within the claim.

This is not to say that the benefit limitation can be left to wither on the vine. Far from it, my
message would be to increase it gradually, over and above inflation, to gradually reduce the
number of tenants who will be impacted by it. Social Security Authority has been here before, and
gradually reduce the number of claimants negatively impacted by this limitation by incremental
695 increases to the benefit limitation over a period of some years. Such a process avoids the
possibility of opening the floodgates too wide and too quickly, and being swamped by a sudden
influx of new claimants.

Before I sit down I should point out that the Committee recognises the points made by the
Treasury & Resources Department in its letter of comment. The Committee recognises that it has

700 to take its place along with those other areas of forthcoming expenditure when the States decides how it is going to fund those. We cannot expect to be given first place just because there is a specific need. We will wait patiently until the States finds the appropriate funding.

So, to sum up, the Social Welfare Benefits Investigation Committee proposals represent a significant first step to a much-improved social welfare benefits system, with improved outcomes for tenants both within the social and private rented sectors alike. The proposals provide for the first time in 61 years a single foundation on which a far more sophisticated and yet sustainable benefit system can be built.

Please accept these proposals in their entirety.

Thank you, sir.

710 **The Bailiff:** Now, Members, I have had notice that a sursis is to be laid by Deputy De Lisle. Deputy De Lisle, would it be helpful if that sursis was read?

Deputy De Lisle: Yes, please, sir. Thank you.

715 **The Bailiff:** Greffier.

The Greffier read out the sursis:

To sursis all of the Propositions and direct the Committee for Employment & Social Security to return to the States by 2017 with new proposals to contain the cost to the States.

The Bailiff: Deputy De Lisle.

Deputy De Lisle: Thank you, sir.

It is that particular point, 'to contain costs', that is the concern of this proposal. The concerns are as follows.

720 This re-organisation and merger of housing benefits and supplementary benefit schemes will cost an additional estimated £3.5 million to the taxpayer at the start. Then there will be a recurring cost each year of £3 million. I would like Members to turn to page 1963 where the details of the cost the overall cost impact are given. Not only that, there will be a growth in the number of civil servants by an additional 4.5 staff, which will cost in the order of £200,000; 750 claimants will be worse off, and then there is the additional stress, frustration, humiliation and the cost that that will cause the system unduly. The proposals also have not gone out to public consultation, which is another point to make in summary.

730 Sir, I am placing this sursis against the proposals, to give the SWBIC Committee opportunity to consult with taxpayers and take heed of current realities, fiscal responsibility and discipline. The funds are not available to support what they are proposing currently, although I do note the comments of Deputy Le Lièvre that he will wait in line until funding is available. This sursis provides that opportunity, perhaps, to look more closely at the realities, and come up with something more fiscally responsible with regard to the current conditions. Because the Committee, in reality, want to add £3 million a year to the welfare bill, essentially, and that is totally unaffordable and unsustainable at the current time, when we are running a deficit of £23 million. We have to lighten the deficit not add to it. Any benefits merger of this type has to yield benefits to the taxpayer. Until it does, leave it as it is.

740 The sursis allows the Committee until 2017 to come up with an affordable and sustainable merger plan that fully recognises financial restraint and responsibility.

They want to take on 4.5 more civil servants to run the benefits merger at a cost of £200,000. There will be losers in this, 750 families will receive less than they receive now.

I believe, philosophically, that taking away the housing rebate and putting people on income support benefit is wrong, and undermines efforts many are making in my parish and elsewhere to wean themselves off welfare.

745

The £3 million a year to be saved by not going ahead with this could well be spent perhaps on updating housing properties, improving neighbourhoods, and thereby minimising intrusive rules for those living in States' housing.

750

Sir, SWBIC must re-evaluate their proposals. This will give opportunity to go out to public consultation, and take heed of current realities, fiscal responsibility and discipline.

I ask Members to support the sursis in order to save £3 million a year.

The Bailiff: Deputy Paint, do you formally second the sursis?

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Deputy Paint: I do.

The Bailiff: Deputy Bebb.

Deputy Bebb: Point of order.

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I would like to move Rule 13(4), please.

The Bailiff: Rule 13(4), so those who support debate on the sursis are to stand in your places, so I can see how many there are. If you support debate on the sursis, stand in your place.

I think, 13, 14 and 15 ... There are certainly more than 7. So that fails.

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Deputy Bebb: Thank you, sir.

In which case, I would like to move Rule 14(1) which is guillotine on debate.

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The Bailiff: Right, in that case we move Rule 14(1). The Proposition is to stop debate. Those in favour; those against.

Some Members voted Pour, others voted Contre

The Bailiff: It is close, I think the *Contre* have it. Does anybody wish to have a recorded vote to be certain? No. Ah, Deputy Hadley has requested a recorded vote.

So there is a recorded vote on whether to stop debate.

There was a recorded vote.

775

The Bailiff: Clearly that motion is lost.

Deputy Le Lièvre, do you wish to exercise your right to speak on the sursis at this stage?

Deputy Le Lièvre: No, I think I will wait, sir. Thank you.

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The Bailiff: You will wait. Right.

Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

785

I think the premises on which this sursis is laid are completely false. There are essentially two of them. The first is that it would be helpful for somebody else to reconsider this issue. Well, it was considered in 2010, 2011, and 2012 by the Social Security Department, which brought proposals to the States, which were not accepted, narrowly. It was considered by the present Social Security Department and the Housing Department in 2012 and 2013, and those proposals did not find favour with the States. So the States set up this Special Committee, the Social Welfare Benefits

790 Investigation Committee, to carry out a complex but quite discrete area of work, and now it has come back to the States with its proposals.

The idea that it would be helpful for another group of people to look at this again, for the fourth time, spanning into the third or fourth States' term, I think is just quite absurd. Deputy De Lisle might not like the proposals, and he can always vote against them, but the idea of sursising it, to allow somebody else to look at it in the next States I do not think holds.

795 It would not be SWBIC to look at it in any event, because it is being disbanded. So it would have to be work absorbed by the next Committee, but clearly it is not sensible to do that.

800 The original proposals were estimated to cost between £8 million and £19 million. The second edition was estimated to cost £4.25 million, and these are £2.9 million. Deputy De Lisle wants them to cost less, but this is the second basis on which he lays his sursis, that if somebody else looks at it in the next States they can come forward with reform proposals which would cost less. Well, nobody is going to be able to propose anything which reforms these two schemes and amalgamates them which costs less. The anticipated costs have been driven down from £19 million originally to less than £3 million per year. Less is nothing, just vote against the proposals.

805 Deputy De Lisle also says there are some people who are going to lose out and he presents that as another reason why the sursis ought to be successful. Well, it is not possible to argue to drive down the costs of the amalgamation, and then argue that somehow that can be done without some people losing. If the costs are driven down more people are going to lose, and they are going to lose by even greater amounts than Deputy De Lisle is concerned about them losing this time.

810 Of course, let's have a debate about the merits of the policy letter. It seems to me, 'slightly contentious issue + proximity of election = sursis', this week. I think that is highly regrettable. There are no grounds at all to sursis this policy letter. We need to just get on and debate it.

815 **Several Members:** Hear, hear.

Guillotine motion under Rule 14(1):

Not carried – Pour 5, Contre 38, Ne vote pas 0, Absent 4

POUR

Deputy Bebb
Deputy St Pier
Deputy Adam
Deputy Luxon
Deputy Hadley

CONTRE

Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Parkinson
Deputy Lester Queripel
Deputy Gillson
Deputy Le Pelley
Deputy Ogier
Deputy Trott
Deputy Fallaize
Deputy David Jones
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy Dorey
Deputy Paint
Deputy James
Deputy Perrot
Deputy Brouard
Deputy Wilkie

NE VOTE PAS

None

ABSENT

Deputy Stewart
Deputy Spruce
Deputy Le Tocq
Deputy Burford

Deputy De Lisle
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy O'Hara
Deputy Quin
Alderney Rep. Jean
Alderney Rep. McKinley

The Bailiff: Members, I can formally declare the result of the voting on the guillotine motion under Rule 14(1) there were 5 votes in favour and 38 against. That motion was formally lost. Deputy Langlois, and then Deputy Perrot has been waiting.

820

Deputy Langlois: Thank you, sir.

I would like to speak early for fear of repetition, because what Deputy Fallaize has said has covered a lot of the ground. It really makes you wonder whether the movers of this sursis have really understood the Propositions, because if you read Proposition 1, it says to agree, and there are a few key words in here, between commas,

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'subject to funding being available, from January 2017',

and so on, and then it says that:

'the rent rebate scheme [will] be closed over a transitional period of 3 years'.

Sir, genuinely, I feel that I do not have to flash any credentials in this Assembly to do with my commitment to reducing costs and savings, the PTR project has been criticised on many occasions by certain people who would quite happily tax and spend more, and I do not think I have ever fallen into that category.

830

The control of benefits expenditure has been at the centre of our agenda, through working incentivisation schemes and control over the speed at which particular benefits increase, and so on, so all of that plays in the same direction as Deputy De Lisle is saying we should be playing. But then we get to even beyond the simple wording of the sursis, we then get from its proposer 'consult with taxpayers'. Now that is a really great idea! I look forward to the questionnaire to cover with that: 'Would you like to pay more tax to help poor people who are unfairly being provided with benefits through the rent rebate scheme, compared with other people who are getting benefits from another scheme, that they are getting less, so would you happily chip in some extra tax to do that?'

835

Philosophically, then we get to the real nub of it: there is a philosophical objection to that. Now, whenever the word 'philosophical' is used in this Assembly, my antennae switch on to say 'Hang on, we are scraping round here, because if we cannot be anything other than philosophical... We are talking here about 'weaning themselves off benefits'. No, it is providing a system whereby there is incentive to move off benefits and so on.

840

So, sorry, sir, to put it so bluntly, but this sursis is pointless. Please reject it.

845

The Bailiff: Deputy Perrot.

Deputy Perrot: Yes, although the sursis may generate the most wonderful headlines, it reflects an almost complete failure to understand what was the mandate of the Investigation Committee. We not only had to meld two quite disparate systems of benefit, but to examine all aspects of the welfare system, in view of economic and social changes since inception.

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Now, had it not been for Deputy Le Lièvre who is pretty well the sole living repository of corporate memory in respect of welfare, we may well not have recognised that supplementary benefit levels did not spring anew in 1971. No, benefit levels were based upon what, under the Outdoor Assistance Scheme, was the wage of a greenhouse labourer in the mid 1950's. Thus putting to one side the amalgamation of two systems, one of the fundamental questions to ask

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ourselves – after 70 years, remember – is, is this right? Does the index linked pay of a greenhouse hand in the mid 1950's fairly represent the level required to keep body and soul together in 2016?

860 If the answer is that it is clear that it is not right, that philosophically – dread word, but I am going to use it nonetheless – a benchmark which might have been rule of thumb convenient in the 1950's, at the very least had to be re-examined 70 years later. How do we carry out that exercise? Again, dread word, philosophically speaking, what do we think we are doing by being liable for social welfare payments?

865 Now the easy fifth form answer is that we look after the poor. The clever sixth form question which follows that is 'what do you mean by poor?' A preliminary scan of the approach by certain other jurisdictions is that they import the concept of 'relative poverty'. At its root an absurd benchmark when trying to assess those within its ambit whether they have need, because it refers to those with an income which falls below 60% of the median income. Now that may be
870 acceptable to those whose industry feeds on a concept which for ever into infinity produces perpetual poverty, but that was not for us.

We therefore determined the concept of Guernsey's absolute poverty benchmark, whereby an income level is established below which we as a society regard as intolerable for an individual to live. So, once started on that course, we must go where the figures take us, whatever those figures
875 may be. Thus my role as a Treasury representative was not a comfortable one, because I had to keep reminding the Committee members that the results could well fall outside the costs envelope which might be acceptable to Treasury. As was proved to be the case.

But, and this is my main point in countering the amendment, we were doing what our mandate required us to do. The mandate did not simply say, 'And oh by the way, if it takes your fancy, just
880 lob in a few thoughts into your report about benefit levels, will you, but not if it is too much trouble?' As I have already described, once you embark on a philosophical approach, you have to do a proper job and continue to the end. I do not like the results, but those are the ones which we are left with.

In the very short time which this Committee had available to it, we were not able to start
885 analysing the welfare categories and their respective scopes, which is something which does indeed need to be done. For my part, purely by way of example, I have firm views that having an excess of children when unable to afford them other than by way of States' funding is not acceptable. I also question the scope of entitlement to housing. But those are considerations for another time.

890 For the present, the policy letter confines itself to what we have been able to do in the short time, and that is to review benefit levels on a proper basis, and to square a circle by melding supplementary benefit with rent rebate. We are quite open with our acceptance that the Island cannot afford the payments immediately. What we cannot do, is to deny the truth of our findings, or sweep them under the carpet, which is what the sursis seeks to do.

895 The Committee does not wish to add to the revenue bill. It wishes that the finding were not as those findings are, but to repeat myself, once we embarked on a journey, a philosophical journey – sorry to Deputy Langlois – once we embarked down that path, we had to go to its end, and those figures are what we are left with.

In supporting his sursis, Deputy De Lisle says that putting people on supplementary benefit is
900 wrong. Well, our mandate was to meld rent rebate with the supplementary benefit system, so how on earth do you get rid of rent rebate without opening the opportunity for people, if they are in need of funds, to claim supplementary benefit? It is the yin and the yang. Unless you are on the planet Zog, one has to realise that that is the only way in which we can deal with getting rid of the rent rebate system.

905 What was assumed, and this was found to be correct, is that the rent rebate system in some cases errs on the side of generosity, so that was the thing which had to be dealt with, and if it is dealt with in such way that somebody is thereby unduly impoverished, well then clearly that person needs to have access to the supplementary benefit scheme.

910 Sir, I think that this sursis is bonkers. It is nonsense. After all these occasions of looking at the problem, how can we just throw into the garbage something which has occupied ourselves fully, and properly for two years, where we have looked at it from base upwards?

This sursis really must be thrown out.

The Bailiff: Deputy Lester Queripel.

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Deputy Lester Queripel: Thank you, sir.

Sir, I am tempted to support this sursis (*Laughter*) for several reasons. Having said that I will listen to debate, and if any of my colleagues can give me a valid reason why I should vote against it, then I will give that reason serious consideration.

920

I will just relate to my colleagues, if I may, why I think this should be sursised. Number 1, these proposals if passed and funded, will cost the taxpayer over £3 million for the first two years, and just under £3 million for every year after that. That will come at a time when taxpayers are crying out for the States to stop spending.

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Number 2, we are told in paragraph 190 and 191 that additional staff will be need to administer the scheme. That will come at a time when the public are crying out for reduction in civil servants, not an increase.

930

Number 3, on page 1961, we are told that 471 social housing tenants and 268 private sector tenants will be worse off under these proposals. That makes a total of 739 of our fellow Islanders ending up disadvantaged. I am not at all comfortable with that, sir. I am not in this Assembly to disadvantage my fellow Islanders. I am in this Assembly to enable and empower them.

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Number 4, there is a lack of detail in this report, and because of that lack of detail I do not feel fully informed. We always say in this Chamber, sir, we need to be fully informed. Ironically I cannot go into detail in this speech, because this speech has to be specifically on why I support the sursis. But I will go into detail if we go into general debate.

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Number 5, there has obviously been a major problem somewhere along the line in communicating these proposals to tenants. Several tenants have told me they have been in shock since they heard the news about many of them having to pay full rent. Several tenants have contacted me in a severally traumatised state, because they felt a lot more should have been done to engage with them, and I will go into that more if we get into general debate.

945

Finally, sir, number 6, I feel as though I am being pressurised to the point of being bullied to make a decision in this Chamber today, because like a number of other Articles in the Billet this is a major issue, and once again, like several other major issues, it is being rushed through at the end of the term of this Assembly, in a debate that has been added on to cope with the workload. Why the rush? I see no reason for it whatsoever.

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As I said in a speech in this Chamber last week I will not be bullied by anyone inside, or outside, this Chamber. I vote in favour of any issue that I feel will benefit the people of Guernsey, not disadvantage them. My message to bullies, sir, is go bully somebody else because you are wasting your time with me.

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Sir, in closing all this rushing through of issues is an appalling approach to Government, and the people of Guernsey deserve so much better than this.

So, unless my colleagues can persuade me otherwise, as I said at the beginning of my speech, I am tempted to support this sursis.

I would just finish, sir, by saying I have nothing but admiration for all the efforts made by my colleagues and staff involved in the SWBIC proposals, but I suspect that even they wish they had more time, even though they had two years.

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Thank you, sir.

The Bailiff: Deputy Gillson.

960 **Deputy Gillson:** Sir, I will not repeat all of the very good comments that Deputy Perrot has made, justifying why this sursis, which I find very annoying, should be rejected.

I think it is worth noting, just reiterating, we do understand the financial realities of the Island, which is indeed why the Proposition says 'subject to financing'. So, it is not jumping the queue or guaranteeing this will happen. This means waiting until financing is available.

965 If Deputy De Lisle wants to object on philosophical grounds to the closing of the rent rebate scheme, vote against the proposals, do not sursis it. Sursis just brings it back and wastes more time. So, I think there is no logic for sursising it.

I do not think there is a lack of information in this report. I think the report contains all the information we need. I hear it so often this, it is so easy to say 'more information, more information', but there are times when you actually cannot wait for more information, or it is not practical to get more information. But I think there is enough information in here.

970 Sir, the last point I am making is hugely controversial and I may well be criticised for it, but I do find it interesting to compare Deputies' views on one subject to another subject. I am surprised the media do not do this, and I just think it is interesting that the proposer of this sursis is going on about saving money when he has advocated for years tens of millions of pounds of capital and revenue expenditure on a sewage system which is not needed, and now does not want to spend £3 million helping the people in the Island who need it most.

980 **The Bailiff:** Deputy Dave Jones.

Deputy David Jones: Sir, just a couple of points, because I do not want to stray into general debate, but something that Deputy De Lisle said in his opening remarks about spending money on maintenance of houses. I wonder what you think Housing would be able to do if we actually had the £12 million or £14 million, I forget what the figure is now, that we forgo in rents. We would be able to do a hell of a lot more than we are currently doing.

985 The other thing is as well, I cannot for the life of me understand why this sursis is here. Deputy Queripel was talking about he came into the States because he wants to help people. Does he honestly believe that Deputy Le Lièvre, a man who has so much compassion for the less well-off on this Island, has been sitting on this Committee for two years to disenfranchise people? Because that is not true.

Deputy Lester Queripel: Point of order, sir.

995 **The Bailiff:** Deputy Lester Queripel.

Deputy Lester Queripel: I did not mention Deputy Le Lièvre's role, except I gave the SWBIC committee credit for all the efforts they have made. Deputy Jones is misleading the Assembly, sir.

Deputy David Jones: Again, I am sorry ... I will not go there. **(A Member: Good!)**

1000 The fact is that if this sursis was to succeed, which I sincerely hope it does not, it is going to have a real effect on some of those in the private rental sector that we have struggled for years to come up with the find a way of helping them, who get none of the benefits that you get if you are in social housing. There is no doubt, and SWBIC have come up with the goods on this, that there have been some people who receive rebates and the rebates. You have got to remember, the whole premise is that you do not pay any more than 25% of your income on rent, but of course, in a way that has not kept pace with the fact that earnings and wages have gone up over many years since the rebate scheme came in. So, I will not say...

1005 Those were two points I wanted to pick up on the sursis, and I will keep the rest until my speech in general debate.

1010 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, yes, I will be brief.

I had no intention of speaking on this daft thing, but something Deputy Lester Queripel said, just now, I had to stand up because he said it was being rushed!

1015 Now, I well remember Deputy Le Lièvre having to stand up, sometime earlier this term, to explain to everybody why it had been delayed. This has been far from rushed. I think it is actually an excellent report, and very well written, and has all the information that we need.

1020 Regarding spending on States' houses, Members might be aware, because we were actually brought into, by use of the Deputies' all email address, a petition that has picked out, that was saying that they did not like rent rebates being converted to supplementary benefit, and there are many comments about the state of their social housing, and that the States should focus more on that, than doing what we are trying to do here.

1025 So, I responded to that. I sent an email on the petition and asked people to send me their experiences, and give me examples of why and how that is the case. I just got one response, and it was nothing to do with structural issues, but more to do with mould, and really it was something that that resident should have been able to manage themselves. So, I think you have got to be very careful when we just use phraseology, and just what one person says, to explain 'and that is the reason why you have to have a sursis'.

1030 So, all I would say is can we just cut the debate on this, throw it out now and get on to the main crux of the matter.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you.

1035 Yesterday, or 24 hours ago, we had the Sisters of Sursis, and now we have the High Priest of Procrastination! (*Laughter*) Can I just please implore Members to dispatch this very quickly.

1040 I would like Deputy De Lisle perhaps to withdraw the remark regarding people weaning themselves off the States – the idea or the metaphor that people are dependent on the States, rather than people have an entitlement to a benefit or assistance that improves their lives, rather than feeding from the States in that way.

1045 Perhaps with regard to Deputy Queripel's speech, sir, I know we are under time pressure, I know the Billets have been arriving on our doorsteps thick and fast, but I do not recognise this issue of bullying or being threatened. Within our system, policy letters, States' reports come to this Assembly, and it is clear that there has been ... In the UK people would be whipped into line. Clearly, that does not happen in this Assembly. The idea that there is bullying and threats to get people to vote one way or another, or to support or a report, is not a picture I recognise at all.

A Member: Hear, hear.

1050 **The Bailiff:** Deputy Green.

Deputy Green: Sir, yes, thank you very much. Very, very quickly. We cannot possibly support this sursis.

1055 I will be saying later on in this debate that there are all sorts of issues with this policy letter, and there are aspects of it that do deserve very careful scrutiny. I do think there are some serious problems with it. But if that is the case, when it comes to the final vote, Members like Deputy Lester Queripel, and others who are thinking of supporting this sursis, as Deputy Gillson said, simply vote against it. If you do not like something, do not support it. That is the key point, sir.

1060 I think probably the one scintilla of an argument that Deputy De Lisle might have is about the funding, because it is quite clear from the T&R letter of comment, and the comment in the first Proposition, 'subject to funding being available', the argument that Deputy De Lisle ... I thought he was going to make it, he may have made it, I cannot remember now, maybe he did. The one

scintilla of an argument is that because there is no funding available, then is it absolutely essential to make this decision now.

1065 I actually think it probably is. I think, as Deputy Fallaize said, this issue has been hanging around long enough since 2012. The very first debate on this was at the very tail end of the last States' term. We then had another debate in 2013, when I was still on the board of SSD, and this is the third time. This will come back again, and again, and again. Because we have a highly anomalous situation of a benefit system and a kind of shadow benefits system, and that cannot really continue.

1070 The funding is clearly not available today, but I think in any event, whether the funding is or is not available, the issue of principle has to be determined today.

So I would urge Members not to support the sursis.

1075 **The Bailiff:** Deputy Le Clerc.

Deputy Le Clerc: Thank you, sir.

I too would urge the Assembly to throw out this sursis. This really would be kicking the can down the road, and if kicking the can down the road was a sport, I think we would be world champions at it. (**A Member:** Hear, hear.)

1080 This really is the only realistic opportunity that we will have for many years to start to change the lives of tenants living in social housing, and to help those on low incomes in the private rented sector. Deputy Dave Jones was absolutely right, for me this is part of the steps that we can start to bring in those people in the private rented sector that we have not been able to help and to assist.

1085 Just to pick up on a couple of points that Deputy De Lisle has made, he said that there was no public consultation. Well, we had two public meetings with tenants, and to say that taxpayers were not involved, I think that is wrong. A large percentage of the tenants are taxpayers because a large percentage of those people work and pay their taxes. So, I believe that we did consult with taxpayers and with tenants.

1090 Actually, I know that myself and Deputy Le Lièvre have met many of those tenants on a one-to-one basis, in fact, we were still very late one night at Frossard House, 10 to 10 one evening, speaking to tenants. So, I believe we have had public consultation, and we have offered personal consultation when people have asked for it.

1095 I do not believe that Deputy De Lisle has perhaps read and understood the Billet. That is my personal view. But I think from the way that his opening speech was, I believe that he has misunderstood a lot of what we are trying to achieve.

I would ask you not to support the sursis, and again, sir, I will save my other comments for further debate.

Thank you.

1100 **The Bailiff:** Deputy Gollop.

1105 **Deputy Gollop:** I have been a late joining member of SWBIC, inasmuch that the first few months Deputy Advocate Green sat on the Committee and, of course, I was not necessarily the first choice of the Social Security board to sit on SWBIC. But I will perhaps go into that when we get into the main debate, which I hope we will, and I am sure we will.

1110 I have been tempted to support the sursis, I must admit, but I will not. I will resist the temptation, and not just because we have worked well as a team together. It certainly has not been a nightmare, Deputy Le Lièvre has been a very patient, gentle, but firm Chairperson. It has not always been a dream either though, it has to be said, with three other meetings and some robust opinions on different sides. But the reason why, apart from supporting an overdue package to the States, I think we should resist the sursis is for a start the motivation of it is to help the needy and not help the less needy, but Deputy De Lisle cannot define those terms. SWBIC has spent many years based on even more years of experience on how you apportion the resources in

1115 as fair a manner as possible, whilst taking regard to the taxpayer. Therefore you cannot have the penny and the bun.

The other point is, there is a philosophical undertone behind Deputy De Lisle's speech, which suggests that he would like to save money to the taxpayer. Deputy Lester Queripel has hinted the same. I do not think that is possible, as Deputy Perrot has said, and he would not be regarded as a tax-and-spend politician by anybody. *(Laughter)* Indeed when Deputy Langlois mentioned the issue of not being a tax-and-spend person, I thought well, that is why we have different opinions on the Social Security board. But I would have gone, to coin Bruce Forsyth, 'higher' a lot of the time. The issue that I will question when we get to the main debate is that we have not been generous enough. That is probably the main reason why many of the people who are affected by this would quite like a sursis, because it delays the evil day when they might in some cases have less income.

1125 But the work we have done has been based on serious thinking. In some cases it went in directions we might not have expected it to go. There are certainly many good things that have come out of the exercise that I hope we will get to on the main debate.

1130 But I would also remind Deputy De Lisle of the September/October 2013 report which led to SWBIC's creation, and there Social Security Department makes clear that if you just got rid of the rent rebate scheme and cut it off in its prime, and started again with no transitional period or no substitute, there would be a cost to Social Security of about £2 million anyway of picking up the pieces, because there would be consequential happenings. Now, the idea therefore that you can just end the welfare in a way that is fair or just or acceptable, not just to the tenants, but to the community as a whole, is therefore fallacious.

1135 I would also like to point out that some of the arguments about consultation with tenants, initially had a point, because, of course, although you could argue some of the tenants should have known that this was happening because of the 2012 and 2013 debates, we have seen from Housing a winding up, to a certain extent, of the States' Tenants' Action Group, and therefore we have to start again in engaging the interest of tenants, which I think as Deputy Le Clerc rightly says, we did. One further point I would make is, of course, this is an appropriate point to bring these proposals because not only has it seen the collective effort of the many senior States' Members, who are perhaps retiring, but also this is the beginning of a new era of the Employment & Social Security Committee, and of course, further revisions, if necessary, can take place at that point.

Deputy David Jones: Just a point of correction.

1150 States' Housing has not wound up STAG at all. It was a natural progression. The complaints against Housing fell off a cliff and there was no need for the group to continue.

The Bailiff: Deputy Paint.

1155 **Deputy Paint:** Sir, first of all, I would like to state that my very good friend Deputy David Jones, and I am sure he will confirm this, has expressed grave concerns about SWBIC for some time. Although I have to say he has frequently told me he is wrong, I am wrong! He only admits to being wrong once and that was in 1972. *(Laughter)*

1160 The main reasons why I agreed to second the sursis was because of the additional cost to the taxpayer, and equally the harm it is doing to I believe 739 social tenants. That is what concerns me. The two items that really concern me. I have no problem with the States supporting people who cannot fully support themselves, by reason of ill health, age, disability, or even those on the border line of poverty. I think it is our social duty to do that. Like most of these groups, they will be the ones that descend into poverty and I am sure nobody would like to see that.

1165 I also do not have a problem with those who are trying to work very hard and make a living and living in social housing and I believe they need support, as and when they do, but I believe, by what I have read, that they will be the biggest losers in these proposals, and I have a problem with

that. For these people that could have and perhaps did not claim off the State for everything that they wanted, how can we let them down, and reduce the claims they would have made, just because they have put effort into their lives? I just cannot see that as correct.

1170 I also believe that supporting these people is the right thing to do by the States. This redistribution of wealth, or the lack of wealth, it seems quite unfair to me and has done for some time. These are the people that are most likely to be driven into poverty, or close to it, and may choose to do less work to support themselves and in the end the costs will be much higher to the taxpayer and this Government.

1175 I also have a problem with those who are or appear to be making a career out of living off the backs of others by claiming benefits, when perhaps they should not. I know that the Social Security are making big inroads into this, but perhaps it is not far enough I do not think.

1180 Also many of these people are the ones that expect the same as everybody else as long as somebody else is paying for it, which is the case in our community I am afraid. I have not used these words before, but I think these are keeping themselves in self-induced poverty which I cannot agree with. New words, new names.

1185 Now social housing tenants are expected to pay a maximum of 25% of their earnings, by way of housing rents, and if their income exceeds a cap of whatever it is per family, then there will be asked to vacate States' property. This disincentivises people to actually do a little but more, and I am sorry I cannot agree with that. There are ways of getting people to work harder and help to support themselves without capping them. I am sure, Deputy Jones again will confirm, I may have brought this up several times.

1190 Then it comes later for pension schemes. We already know that people have got to go into pension schemes in later life so they have more when they retire. These people just will not be able to do that. Again, who will have to pay?

The Bailiff: Is this in general debate or are you on the sursis?

1195 **Deputy Paint:** No, no I am just going through the whole system supporting this. I will not speak in general debate anyway.

The Bailiff: Yes, but debate at this stage must be limited to the sursis.

1200 **Deputy Paint:** Well, it is to do with ... I am just explaining, sir, what I am supporting the sursis for. (**The Bailiff:** Okay.) I have to go through these items or you will not see where I am coming from with the sursis.

Well, perhaps I could ask some of these questions in general debate.

1205 **The Bailiff:** Deputy Le Lièvre.

Deputy Le Lièvre: On a point of correction.

1210 Deputy Paint talks about the limits that apply to social housing tenants in regard to their earning capacity before they are asked to leave the tenancy. This is nothing to do with the work done by SWBIC. This is a purely Housing issue.

Deputy Paint: I will just leave that then. I will deal with general debate, and I will bring it up again. [*Inaudible*]

1215 This Assembly has had a four-year term which will end up in a legacy of spend, spend, spend, on just about everything else. It is time we started stopping spending. I am sorry, everywhere, you have all sorts of things, all sort of things money has been spent on which in my opinion are not necessary. Many of the Deputies have worked in banks and finance houses. Would they spend their money, their company's money, or their shareholders' money in this way? I doubt if they would.

1220 Fortunately, sir, we have lived for over 50 years, in many years of prosperity. That prosperity is not there anymore. It might never come back, so it is really time we have to start thinking whether we spend £3 million a year on something that perhaps we could do without for now.

1225 I understand that when the money becomes available ... but look at the projects we have got, where we have to wait for money to become available. So really, somebody said earlier that there was no point in discussing this sursis. Well, was there any point in this being put forward, when it might be years before the money becomes available?

Thank you, sir.

The Bailiff: I see no-one else rising to speak. A few people are rising, but nobody is rising to speak.

1230 Deputy Le Lièvre, and then Deputy De Lisle will reply to the debate.

Deputy Le Lièvre: Thank you, sir.

Well, I think I will stick to the written speech, but I will interject one or two items that Deputy Paint and Deputy De Lisle have referred to as I go through.

1235 This sursis focuses wholly on the level of expenditure associated with the proposals of the Social Welfare Benefits Investigation Committee. In 2012, we have already heard this from Deputy Fallaize, the costs attributed to the proposals from Social Security, of which I was a member at the time, have been estimated at anywhere between £8 million and £20 million. I think in reality it was probably the lesser of the two figures, but certainly it was quite significant. In 2013 the joint
1240 proposals of SSD and Housing were estimated at around £4 million to £5 million. Now, our proposals are £3.5 million, of which £1 million relates to medical and fuel costs. Now we are accused, the Committee is accused, not only of bullying – as if I would be ever considered a bully, how ridiculous! But no matter about that – we are accused of fiscal irresponsibility. I find that particularly hurtful, because the processes used by the Committee have been to build from the
1245 ground up. There has been no fiscal irresponsibility whatsoever.

As Deputy Perrot said, the answer is what it is. We might not like it, but it is the first time in 50-odd years, 60-odd years almost, that we have actually looked at the spending power of our benefits. We have looked at them very closely, thousands and thousands of items. This is not an accusation of fiscal irresponsibility, quite the reverse. Absolutely ridiculous.

1250 Now, this minimum cash injection has been achieved by the approach taken by this Committee, as I explained in my opening speech. In effect, it has taken the top off of the rent rebate scheme, the high level earners, and people with a high level rebate who are adjudged not to require it, who if they were in the private-rented sector would get nothing. Nothing from a rent rebate scheme, which does not exist in the private rented sector, and certainly nothing from
1255 supplementary benefit. Funds that have been released by the process have been redistributed amongst those tenants for whom the current rent rebate scheme does not work so well.

In response to Deputy Paint, I would say this. The very people that are going to benefit are some of those hard-working people that you think will be driven into poverty, the words you used. This is not the case. The income support system assesses people on their net income. It does
1260 not apply a general 25% to their gross income. Rather it looks at what is left after they have paid their income tax, and their social insurance contributions, and then it disregards part of their earnings.

The very people you talk about are the people I have visited, through you, sir, I have visited in their homes, and provided the reassurance that some of these housewives – because their
1265 husbands have been hard at work in low paid jobs supporting this Island – the housewives who sit at home without the heating on, not taking their children to the doctor, and with probably a deficient diet as well. These are the people these benefits will go to. They are hardworking; let me assure you, Deputy Paint. You obviously do not know your tenants very well.

1270 Under the existing scheme the very people that most need financial assistance do not receive it, as a result go without in some areas of expenditure that you and I would find intolerable. I use the word 'intolerable' because, of course, it is included in our definition of poverty.

Any rates of benefit less than that proposed, and this is what the sursis talks about, it talks about – Deputy De Lisle talks about some sort of fiscal profit to be made by a review, where we come out with a plus sign at the end of the equation without any cost to the taxpayer at all. Any rates of benefit less than the proposed must represent a very real risk of imposing poverty. Maybe not in the short term, but certainly in the long term for families, for children, for the aged, and for the disabled. Poverty would be visited on everyone, if a scheme were to be designed with benefit rates less than those proposed in this Committee's report. Let me assure you that that is the case.

1280 I will be blunt. This Assembly either wants to assist the low paid, and those on low incomes with families, or it does not. (**A Member:** Hear, hear.)

Now, this sursis, quite clearly proposes that the Committee for Employment and Social Security should go away and develop a sub-optimal level of benefits in order to save the States' money. How short sighted can you be! You would have sick people totally excluded from society, with all of the associated social problems that that involves. Let me assure you there is an awful lot of ill feeling out there at the moment. Social housing tenants feel themselves excluded, they do not need any help from this Assembly by imposing levels of benefit that are sub-optimal.

The Bailiff: Deputy Paint.

1290 **Deputy Paint:** Sir, a point of order if I could, please.

Perhaps Deputy Le Lièvre would be pleased to tell us how people are managing now?

Deputy Le Lièvre: I would be delighted, sir. They are not managing. They are not taking their children to the doctor. They are not heating their houses. You have mums sitting there at home with their children in cold houses and they are not taking them to the doctor.

1295 In fact, one lady I visited said she is not going to see the doctor, she cannot afford to pay the bill, because she is already £600 or £700 in debt to the surgery. That is how they are managing, and I would not call that managing. I am sure you would not, Deputy Paint, either, through the Chair, sir. (*Interjections*)

1300 The fact that the introduction of benefit rates along the lines of those suggested by Deputy De Lisle would create the potential for serious poverty, with consequent health risks, and all those issues associated with too little money and too much month. This appears to be lost on the proposer and seconder, who appear to want poverty to be the constant companion of those on low incomes.

1305 How Deputy De Lisle can suggest that the Committee could have come up with a scheme that would yield benefits to the taxpayer is beyond me. It would be beyond every Member who has served on SWBIC, totally and utterly beyond them. It is not possible.

1310 I have just been reminded, I visited a home where the gentleman concerned does his own dentistry. He pulled his own teeth out because he could not afford to go to the dentist, and this man has a heart condition, and anybody who knows, and has ever spoken to a dentist, would tell you that a mouthful of improper dentistry, poor teeth, is a significant threat to your health, particularly if you have a heart condition. (**A Member:** Hear, hear.) That is how people have afforded to get by. It is shocking, Deputy Paint.

1315 Deputy Le Clerc was nearly in tears, through the Chair, sir, when we met people in Frossard House, late at night. The stories they tell want hearing.

My advice to this Assembly is to reject this sursis. It represents all that is bad about social welfare benefit development by, bizarrely, seeking to limit or deny assistance to those members of our community who have been identified as those with the greatest need. This sursis seeks to widen the gap between low income groups and just about everybody else. It is a sursis that would have this Government promote poverty and create exclusion. You might think that is rubbish,

Deputy Paint, but as I said, you obviously do not know the situation of many of your tenants. It is a nightmare sursis. Throw it out for good.

1325 One further point. Both Deputy De Lisle, I think, and certainly Deputy Paint, and I think, in fact, Deputy Lester Queripel, as well, referred to the additional cost to the taxpayer as a result of the staffing. Now part of this is because the current rent rebate scheme is quite happy for let's say a
1330 mum and dad, a dad to go out to work and for mum to sit at home whilst the children are at school and in their teens and do nothing. There is no requirement under the rent rebate scheme for the spouse of a couple, whichever one it is, husband or wife, to work. Social Security on the other hand demand that where a spouse has dependent children over the age of seven, but none dependent less than that age, the spouse or partner does find employment. Now that requires somebody to make an effort to ensure that that person actually does go out and seek employment.

1335 The rent rebate scheme – which I have managed both when I was in charge of supplementary benefit which I have managed both schemes at the same time, so I know it can be done – is what would generally be called a 'light touch' assessment. Social Security's supplementary benefit scheme is more detailed, and of its nature, it does require more contact between the recipient and the Department. That requires a greater number of staff, a small increase in the number of staff. But you have to offset that against the benefits these people, these civil servants, these extra staff will provide to those people most in need. It will also bring benefits with regard to actually
1340 ensuring that people who have a need have that need met, but also if they do not have a need ensure that the benefit is stopped or reduced. So you do need slightly more staff.

1345 I make a point, in 1988 because of the then States' Supervisor's desire to introduce a centre of excellence, the rent rebate scheme was transferred from Housing, which had a very, very light touch – I think it only looked at 1 in 20 or 30 claims every so often – was actually transferred to my section within Social Security and within the first year we saved the taxpayer over £600,000 in one year. We did not get any staff as it so happened, but that was the way it happened. There is a good need, there is a need to have civil servants control these schemes, both from the point of view of the taxpayer, but also for the benefit of the very people who are receiving those benefits.

1350 As I said, I have never seen a sursis or heard arguments that are so misplaced that they think two schemes, which are very different, can be hammered together into one and actually come up with a saving for the taxpayer, when both of them are deficient in various areas. It is impossible, it can never be done. So you could sursis this until hell freezes over, but at the end of the day there will always be a cost.

1355 Throw it out, sir, it is absolutely rubbish. (*Applause*)

The Bailiff: Deputy De Lisle.

1360 **Deputy De Lisle:** Sir, there is no rubbish in saving £3 million a year for the States of Guernsey at the current time. I think if we look at the forbears to Deputy Le Lièvre and his Committee, in 2012 the cost estimate was £8 million to £20 million. If the States had gone for that we would be paying now at least £8 million in additional welfare benefits. In 2013-14 it was £4 to £5 million that Deputy Le Lièvre quoted, and it is in the report as well. That we would be paying today if that Committee had succeeded. Now they want £3.5 million this first year, £3.3 million the second year and then basically £2.95 million every year afterwards in addition. Now, the fact is that I am not
1365 against assisting people that find themselves in those circumstances that they need housing support and income support. I have never said anything about not supporting people.

1370 But what I have said is that if you are merging two systems and it is going to cost us £3 million then drop it, because we do not have the money for that. Just continue in the way that you are operating now and save the £3 million. Or run the systems again to see whether, in fact – and I have given you time to 2017 to run the systems again – you cannot come up with profound savings beyond that that you are suggesting of £3 million a year.

1375 Also you have got to go out to the public, you have got to go and find out what they think about spending £3 million on just integrating a couple of systems, rather than just leaving it as it is. Ask the taxpayer whether he wants to pay another £3 million. It is about time people go out and do the consultation, because we found out in the Education, for example, that the Department had not done the consultation that people would wish. Here again there has been none. In fact in 199 on page 1964 it states quite clearly:

'The Committee did not undertake any open external consultation in the development of its proposals.'

1380 That is after being told to go back twice, and yet that Committee still fails to go out and ask the people whether they want to spend another £3 million on welfare payments just to merge two systems. In the private sector when you merge you expect some benefit, economic benefit, not to spend another £3 million.

So, Deputy Fallaize, there is every reason to take another look to reconsider the issue, there is merit if it is to save £3 million.

1385 Deputy Langlois says that subject to funding being available. Well, that is true, it is subject to funding being available, but the fact is, that once this Assembly approves it, then it is approved, it will happen in the future.

Deputy Hadley: Mr Bailiff, may I make two points of correction while ... ?

1390 **The Bailiff:** Deputy Hadley.

1395 **Deputy Hadley:** First of all, when this Assembly debated this issue four years ago we were quoted very high figures, and because the detailed work had not been done at that time, the presentation by ... it was much more of a guess than the proposals we are bringing today. It is also not true to say that a lot of the £3 million will be in paying out benefits. A lot of it is because people are entitled to claim to have their doctors' fees paid. That is not a benefit payment, it is the people who cannot afford health care will get that paid for by the States.

1400 **Deputy De Lisle:** No, I am not talking about paying out benefits, I am talking about merging. What I am saying with merging is that just merging these two systems is going to cost the taxpayer another £3 million. That is what I am talking about.

Deputy David Jones: Sir, I am sorry, but on a point of order. A point of correction.

1405 The £3 million is not about paying to merge two systems. The £3 million evolves from the work that SWBIC have done and for many in our community who will receive help in the future who have not been getting it in the past, to the detriment of the community and the detriment of them and their families. It has nothing to do with the merger, the paperwork that goes on in merging two systems.

1410 **Deputy De Lisle:** Well, that is not what Deputy Le Lièvre was saying. He was saying that that £1 million of the £3 million was appropriated for assisting further with people.
Deputy Perrot says bonkers –

1415 **Deputy Perrot:** I take that back, sir, it was unparliamentary language on my part. I should have said crackers. *(Laughter and applause)*

Deputy De Lisle: Whether it is crackers or bonkers, I see that it is a merger. He should know that every merger should yield to the fiscal benefit of the taxpayer. That is not what is happening here.

1420 Doing what the mandate asked. Well, you already knew that it had been refused, more recently, at £4 million to £5 million, and earlier at £8 million to £16 million, or whatever it was, so you knew that in all probability it would not be accepted at £3 million.

1425 Lester Queripel's support, yes, because of the cost of over £3 million to taxpayers, more staff at a time when we are supposed to be reducing staff. 750 people to be worse off, to disadvantage fellow Islanders, the shock by tenants through traumatising, and he feels pressured to make a decision today, rushed and bullied.

Deputy Gillson said, I thank him for his support, Deputy Gillson says there is no logic for the sursis. He brings up the sewage system: for less money we could have had a full sewage system, rather than piping more into the –

1430

Deputy Fallaize: With respect, sir, this is only loosely connected to the sursis, isn't it?

1435 **Deputy De Lisle:** Sir, I did not mention that, the Member did, and I will reply if it needs be, but that was £20 million just thrown away; whereas we could have done something profitable, and cleaned up Belle Greve Bay and our beaches. *(Laughter)*

Deputy Soulsby, spending on States' houses, focus on that. A good point, yes, focus on that, rather than throwing money away for no reason.

1440 Deputy Brehaut makes the point of entitlement to a benefit, I agree, good point. If I indicated through 'weaning', then I take that back, because they have got every right for the benefit and housing is a major cost in anybody's budget today, and the more we can do to support the better.

Deputy Green is in two minds whether he can support it or not, *(Laughter)* although he came down on the fact that perhaps he might not. But he says there is a strong argument with respect to funding, because there is no funding available. Committing a new Assembly to this, who may well, incidentally, be in a worse financial situation than we are today, remember that.

1445 Things do not look good on the world stage, or in the global economy. In fact it is today that the Treasury Minister in the UK is to give his assessment of the economic circumstances there, which are not as rosy as might have been thought six months ago.

1450 Deputy Le Clerc thinks that we are kicking it down the road. SWBIC have been given the opportunity to consult with taxpayers, because you made the point that they had consulted with people, but if you look in your own report in 199:

'The committee did not undertake any open external consultation in the development of its proposals.'

A total disgrace, not going out to the public. Scrutiny a few years ago, through Deputy Fallaize and Deputy Brehaut's management, saw a full report produced on this very issue, that we need to consult the people. When we are asking for £3 million just to move from one system to another, with no benefit to the taxpayer, then I think we have to go out for public consultation.

1455

Deputy Le Lièvre: On a point of correction, sir.

The Bailiff: Deputy Le Lièvre.

1460 **Deputy Le Lièvre:** Deputy De Lisle keeps on referring to no benefit to the taxpayer. Many of these people are taxpayers (**A Member:** hear, hear.) and significant taxpayers at that.

Deputy De Lisle: Then I think they would object themselves. *(Laughter)* They would object themselves to money being spent on nothing. *(Interjections and laughter)*

1465

Deputy Fallaize: Can I ask Deputy De Lisle to withdraw – he just said they would object to money being spent on nothing. Now they may object to money being spent, but to suggest that money that the Committee is proposing to spend on the most vulnerable people in Guernsey is

money spent on nothing does not reflect well on this parliament. (**Several Members:** Hear, hear.)
1470 Would he withdraw that remark?

Deputy De Lisle: No, I think Deputy Fallaize, as usual, is twisting words, (*Laughter*) and the fact is that all I am saying is that mergers, as I understand them, generally bring in money to companies that do it, and that should be the same philosophy that is operating here. You do not
1475 merge two systems that are working reasonable well, and then as a result of that merger charge the taxpayer another £3 million. So that is the point I am making.

To Deputy Gollop, as well, I am saying that I am not wanting to end welfare. I am just wanting to stop the cost to the States of merging the two systems, the Housing and the other benefits system.

1480 Deputy Paint supports, I thank you for your support as seconder. I noted your grave concerns about SWBIC for some years that you have reported on the Housing Department. Your points, the harm to the taxpayer and also the 750 tenants that will be worse off, being the biggest losers, if you like, of these proposals, and of course your point about spending, continued spending, not always placed in a worthwhile manner.

1485 So I ask Members to support the sursis, and give SWBIC Committee the opportunity to consult with taxpayers, and take heed of current realities, fiscal responsibility and discipline. The sursis Committee are given until 2017 to come up with affordable and sustainable merger planning. That will be under the Committee for Employment and Social Security to return to the States in 2017 with new proposals to contain the costs to the States.

1490 I ask Members to support the sursis, sir.

The Bailiff: Right. Members, we vote now on the sursis –

Deputy Lester Queripel: Can I have a recorded vote please, sir?

1495 **The Bailiff:** – proposed by Deputy De Lisle, seconded by Deputy Paint, with a recorded vote.

There was a recorded vote.

The Bailiff: Well, Members, while those votes are counted we have two amendments. The first one, or the one I propose we take first, is the one proposed by Deputy Wilkie, seconded by Deputy Green, which I understand is not opposed by the Committee, so I am hoping that perhaps
1500 that can be dealt with rather swiftly.

Deputy Wilkie.

Amendment

To insert at the end of the words in Proposition 1b. ", except that the single non-householder long-term requirement rate shall be £128.63 (instead of £105.16)".

Deputy Wilkie: So, do I sir,

I will be brief. I congratulate the Committee on producing this report, sir, it must have been extremely challenging to get to grips with such complex calculations, and this must be one of the
1505 most technically demanding pieces of policy development this term. Now we have already had a conversation this week about my ability to explain figures without a whiteboard or a diagram, so I will try and keep laying this amendment very short and concise, sir.

This amendment simply seeks to amend the figures for supplementary benefits paid to long term over 18 single non-householders. SWBIC's proposal to reduce the rate from the £132.15 to
1510 £105.16 per week, and that is a drop of 20% in income for people who because of their disability may rely on this rate for their basic income for the whole of their adult life.

1515 So, who does this affect? Well if you look at the breakdown of the payments, 75% of recipients are either disabled or incapacitated. So why has this rate reduced so much? Well, during further research it became clear that £105 had been created using an 11-18 year old child's rate, and adding £5 for transport, which I believe, sir, is a fundamental error. We should not be giving an adult a child's rate and £5 per transport per week is less than I received in petrol money for my motorbike when I was an apprentice in 1988. So, I have taken a single householder rate of £170.69 minused off the cost of householders expenses, i.e. housing costs, goods, services, this gives you a fair and equitable rate of £128.63. Now this is still less than the current rate, but it is calculated in a more practical way.

1520 Sir, I am thankful to SWBIC Committee for not opposing this amendment.

As promised, I am going to keep this introduction short, and I ask you to support this very sensible amendment.

Thank you, sir.

1525

The Bailiff: Deputy Green, do you formally second the amendment?

Deputy Green: Yes, indeed, sir, yes.

Sursis:

Not Carried – Pour 3, Contre 37, Ne vote pas 0, Absent 7

POUR

Deputy Lester Queripel
Deputy Paint
Deputy De Lisle

CONTRE

Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Bebb
Deputy St Pier
Deputy Gillson
Deputy Le Pelley
Deputy Trott
Deputy Fallaize
Deputy David Jones
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre
Deputy Collins
Deputy Green
Deputy Dorey
Deputy Le Tocq
Deputy James
Deputy Adam
Deputy Perrot
Deputy Wilkie
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Luxon
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley

NE VOTE PAS

None

ABSENT

Deputy Parkinson
Deputy Stewart
Deputy Ogier
Deputy Spruce
Deputy Duquemin
Deputy Brouard
Deputy Burford

1530

The Bailiff: Just before I ask Deputy Le Lièvre if he wishes to speak at this stage, I can announce the result of the voting on the sursis. There were 3 votes in favour and 37 against, I formally declare it lost.

Now, Deputy Le Lièvre, would you like to speak on the amendment?

1535 **Deputy Le Lièvre:** Nothing to say, really, other than the Committee does not oppose, in fact it is quite supportive of it.

Thank you, sir.

1540 **The Bailiff:** Any further debate? No.
Do you need to reply Deputy Wilkie?

Deputy Wilkie: I would say just go to the vote, sir.
Thank you.

1545 **The Bailiff:** Go to the vote. We are voting then on the amendment proposed by Deputy Wilkie, seconded by Deputy Green. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.
Next we have an amendment to be proposed by Deputy Dorey.

Amendment

In Proposition 1 to insert immediately after 'subject to funding being available,' the following: 'and subject to Proposition 1A'; and to insert a Proposition 1A as follows:

'1A. To agree that their decisions in respect of Proposition 1 shall be subject to the Committee for Employment & Social Security reviewing the short term rates in paragraph 87 against the current Social Policy Plan's general objective of "equality of opportunity, social inclusion and social justice" and any relevant policies in the new Policy and Resource Plan; taking into consideration the differences between the proposed rates and the current short term rates and those proposed in the Modernisation of Supplementary Benefit Scheme Policy Letters in 2012 and 2013 and the latest measurement of relative poverty.'

1550 **Deputy Dorey:** Thank you.
Could the Greffier read the amendment, please?

The Bailiff: Yes, Greffier.

The Greffier read out the amendment.

1555 **The Bailiff:** Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.
Firstly, I thank Deputy Green for seconding this amendment.

1560 This amendment does not affect the rates proposed by SWBIC, it just asks the new Committee for Employment & Social Security to review the short term rates before asking the States to approve them. Sir, I ask Members to turn to the back of the amendment and look at the table on the back. On the back of the amendment is a table which compares the proposed rates against existing supplementary benefit rates and shows you the difference. It also looks at the 2013 report with those rates reflatd to as they would have been in they had been for 2015 and the differences compared to the SWBIC proposals, and also at the 2012 report, again reflatd and the differences compared to the SWBIC proposals.

1565

1570 The reason for the review, proposed by this amendment, is because the proposed short-term rates, in particular, the rates for couples and single householders are significantly less than the current rates. For a single householder it is £40 less than the current rate, a reduction of 30%, for a couple it is £28 less than the current rate, a reduction of 14%. I think these rates are too harsh. If

Members turn to page 1942 of the Billet, you would see in Table 3 on the table of the long-term rates at the bottom of the page, and the short-term rates proposed at the top of the page. You would see there is a big contrast between those two rates.

1575 The proposal for long-term rates for a single household is to keep it basically the same as is now, but for a couple there is a 13% increase. The current rate is £242 for long term for a couple, it goes up to £282. These proposals will result in a difference between the short- and long-term rates for single person of £73, which makes the short-term rate only 57% of the long-term rate. For a couple the long-term rate is £111 more than the short-term rate. This makes the short-term rate for a couple only 61% of the long-term rate.

1580 I support the long-term rate, but the difference between the short-term and long-term rates is, I believe, unacceptable. If a person becomes unemployed or sick, or maybe a mother becomes single because her husband or partner has left, they will have to live on those low short-term rates for up to 26 weeks. If a single person needs £73 a week more to live when they are long-term benefits, how can they be expected to live on £73 less for the first 26 weeks?

1585 Often people might have existing debts which they have to make repayments. These just do not go away the moment they are no longer able to work. Also they might be used to a higher standard of living because they were working, and they will need to adjust, but this cannot necessarily be done overnight. For example, that might simply be a flat where the rent is higher than the proposed rent allowance.

1590 The point I am making is that even if they want to adjust their standard of living they might not be able to do so because of long-term commitments that they could afford before they were sick, or unemployed, or separated. Also just because they are claiming for under 26 weeks, does not mean that their kettle or TV will not break down, or they do not need new shoes, or they do not need money for transport to go for job interviews, or their accommodation does not get cold.
1595 The average length of time for a short-term claimant is currently 12 weeks. Ultimately, we do not want people to fall into relative poverty during those 12 weeks. We obviously want to encourage claimants to find a new job as soon as possible, and it is important these rates are not at a level that discourages them from seeking work quickly, but if a person is sick, then they have to get better before returning to work, and they will have to live on these low level amounts for possibly
1600 six months.

These proposed short-term rates, it seems to me, will result in some people living in relative poverty. I can say that with some confidence, because the proposed rates are so much lower than the rates proposed by SSD in 2013 when the rates were benchmarked to 60% of median household income, and also compared to the Minimum Income Standards Study that was done in
1605 2011. Members can see that those rates in the table on the back of the amendment, that I referred to before. The 2013 review concluded on rates which when reflatd were consistent with existing rates. However, these are considerably lower than the 2011 MIS study rates, when reflatd.

Supplementary benefit, sir, is often referred to as a safety net to catch people and stop them falling into poverty. If you set a safety net too low it might catch a falling person and break their
1610 fall, but they will still hit the ground because the safety net is not high enough. That is what I see SWBIC is proposing in respect of short-term rates. A safety net which is too low.

I am not asking for these rates to be different than as proposed, but because they are so much lower than existing rates, so much lower than the long-term rates, so much lower than the two previous reports on modernisation, they need to have a further review before they come back to
1615 the States for final approval. That review should be against the current social policies plan general objective, of equality of opportunity, social inclusion and social justice, and any relevant policies in the new Policy & Resource Plan, taking into consideration the differences between the proposed rates and the current short term rates, and those proposed in the modernisation of supplementary benefit scheme policy letters in 2012 and 13 and, of course, the latest measure of
1620 relative poverty.

Hence, that is why I am proposing this amendment. Please support it. Thank you.

The Bailiff: Deputy Green, do you formally second the amendment?

1625 **Deputy Green:** Yes, sir, and I reserve the right to speak.

The Bailiff: Deputy Le Lièvre, do you wish to speak at this moment, or later?

1630 **Deputy Le Lièvre:** I shall speak later, sir.
Thank you.

The Bailiff: Speak later. Does anybody have a shortish speech that they would like to deliver before lunch? No.

We will rise then and resume at 2.30 p.m.

1635

*The Assembly adjourned at 12.28 p.m.
and resumed its sitting at 2.30 p.m.*

**Condor Liberation –
Statement by the Minister for Commerce & Employment**

The Bailiff: Members, before we resume I understand the Minister for Commerce & Employment Department wishes to make a statement.
Deputy Stewart.

1640 **A Member:** What about? *(Laughter)*

Deputy Stewart: Thank you, Mr Bailiff.

1645 I would like to make a statement around the news that Members will have seen both in social media, on our local media, and actually more widely now on national media, concerning Condor. We will have learned that the *Condor Liberation* is subject to a detention order, served by the Maritime Coastguard Agency in the United Kingdom. This is indeed a very serious matter and it is my understand that such an order on a passenger vessel is an extremely rare occurrence.

1650 I have asked for sight of the order from Condor; however, as of now, I have not actually had sight, nor have Members of the External Transport Group or the Chief Minister had sight of this detention order.

Clearly, despite assurances given to both myself, members of the External Transport Group and, more latterly, the Chief Minister, we are all now extremely concerned about further disruptions to sailings and passengers given the proximity now to Easter and the start of our tourist season.

1655 It is of course obvious that confidence in this vessel is at rock bottom and is damaging the tourist industry in both Jersey and Guernsey. (**A Member:** Hear, hear.) We are in discussions with the Chief Minister and my opposite number in Jersey at this time and, unfortunately, as I mentioned earlier, the damage is likely to be exacerbated by reports on national broadcast media, newspapers, social media and websites.

1660 Later today, I hope that we will have sight of the detention notice and Condor's full explanation around this notice. As yet, we do not know how serious or what the facts are around this and it is important that we get to the facts and, of course, you will be aware there is a lot of noise and speculation on social media, but as a Government we have to act carefully and on an evidence-based approach.

1665 So depending on a full review of the facts, we will then decide what the next steps may be. At the moment that is all I know, but we are in constant contact. As Members will know, I was absent

for most of this morning's meeting in the Chamber. As soon as I have more information, I will relay that to this House, sir.

1670 **The Bailiff:** Are there any questions (**Deputy Brehaut:** Yes, sir.) within the context of the statement?
Deputy Brehaut.

1675 **Deputy Brehaut:** Sir, does an unworthy sea vessel make any arrangement we have with Condor void?

Deputy Stewart: The situation we have now is only a memorandum of understanding. Following the States' decision – the report that I brought last July together with PSD; it was a joint report – law officers and officers at C&E and PSD have been working on both the legislation and a legally-binding operating agreement.

I understand that is near completion in terms of its first draft. However, we have not yet, as an External Transport Group or as separate boards, yet seen the final operating agreement and what that looks like.

1685 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I appreciate that the Minister has not seen the detention order, but Condor themselves must have some idea of the reasons for the intervention. Has he been able to establish from Condor approximately how long they believe it may take to resolve the problems which have been identified?

The Bailiff: Deputy Stewart.

1695 **Deputy Stewart:** My understanding – and I have spoken to a director of Condor this morning – is that once one of these notices are served, there will need to be another inspection of the vessel by the Maritime and Coastguard Agency before that detention order can be lifted. So the information I have at the moment is, we do not know. Condor indicate it might be a few days, but the Maritime and Coastguard Agency may differ with that view. So I think it is wrong to speculate.

1700 What I do know is that the *Arrow* is current being brought down from ... I think it is in Liverpool at the moment. That will then provide backup on the freight so that the *Clipper* can then be used for passenger services.

That is as much as I know at the moment, sir.

1705 **The Bailiff:** Deputy Paint.

Deputy Paint: Sir, can the Minister explain if there is any plan B or C? I think you just mentioned B with the *Clipper*, but for fast ferries would there be a plan B being processed?

1710 **Deputy Stewart:** There, of course, is a plan B and that has been discussed with the Chief Minister this morning and members of the External Transport Group. What that plan B is really depends on the next stages and how serious this is. Until we are in possession of all the facts around this, then I would not want to speculate, because plan B is very much a movable feast. Of course, we had discussed with the Chief Minister, depending on the seriousness of this, what we may or may not have to do as a Government to secure a passenger service to this Island.

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The Bailiff: Deputy Gollop.

1720 **Deputy Gollop:** Yes. Rather than concern ourselves too much with the difficulties that the vessel might have and that need remedying, will the States of Guernsey, in conjunction with the States of Jersey, not impress upon Condor the need to commission or hire an appropriate fast ferry, to deal with Easter and the early season tourist and local traffic, as a temporary replacement?

1725 **The Bailiff:** Deputy Stewart.

1730 **Deputy Stewart:** I think the difficulties around this are perhaps the limitations of our harbour and the availability of vessels, though should the *Liberation* be detained for an extended period of time, that work will be done. Certainly, we need to make sure that, as we come towards Easter, there is a satisfactory vessel, albeit a fast ferry or a conventional ferry, that can at least provide a reliable service if the *Liberation* is detained for a long period of time, and of course we will have those discussions with Condor.

1735 **The Bailiff:** Deputy Le Pelley.

Deputy Le Pelley: Thank you, sir.

1740 The media that I am reading, Minister, says that, 'There has been a joint inspection by UK and French officials.' Is there going to be any extra difficulties because there are two nationalities involved?

1745 **Deputy Stewart:** I cannot answer that question at this time. I think these are the facts that will come to myself and the board of the ETG as it starts to unfold. My information was that it was a detention order from the Maritime Coastguard Agency, but I would imagine, because the *Liberation* has also been operating the southern route, that may be why the French ... But I would not want to speculate at this time.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

1750 Would the Minister say when he received notice of the detention order? How long had Condor had that detention order before we were notified, or was it picked up via social media about Condor?

1755 What confidence have you got, bearing in mind the delay of receiving the report – or perhaps the reluctance or for whatever reason Condor have not been forthcoming so far – that we will be kept fully in the picture of what is going on, so that Guernsey and indeed Jersey can get on with plan B?

The Bailiff: Deputy Stewart.

1760 **Deputy Stewart:** I was made aware round about eight o'clock this morning from one of the directors of Condor that there had been this detention order. At that time, the director only had sketchy information, because I suspect that whilst Condor was in Poole and it was having maintenance work done on the engines and the steering gear, as far as I am aware ... This is part of their improved maintenance program, which the Chief Minister and I were told about last Friday; they were doing extra work, ahead of Easter. It was then served and, obviously, Condor had a board meeting this morning, for their own members to be fully appraised of what has happened.

1770 I have sent a message saying that I need to see that detention order as soon as possible. I am waiting for the email to come back. I very much hope that in the next hour I do see sight of that.

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Yes, sir.

1775 Is the Minister aware that at 11.20 a.m. today, Condor issued a media release that was published on its website explaining what had happened, but they were also promising an update at 1400 hours, which is 40 minutes ago. Is it possible to try and get an update from Condor which they promised at 2 p.m. because I have not seen that yet?

Thank you, sir.

1780 **The Bailiff:** Deputy Stewart.

Deputy Stewart: Sorry, could you just repeat that question, (*Laughter*) because Deputy Langlois, sir, was alerting me to an email that might be in my inbox at the moment, that might help? Sorry to ... Could you just repeat that?

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Deputy Kuttelwascher: Is it alright if I ask the same question twice, sir?

The Bailiff: Yes.

1790 **Deputy Kuttelwascher:** Sir, I said, is the Minister aware that at 11.20 a.m. today, Condor issued a media release on its website relating to this situation and in that media release they also promised an update at 1400 hours, which is now 41 minutes ago, maybe. (*Laughter*) Could you possibly see if you can get hold of that update to see what it is, because I think it is important?

Thank you.

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The Bailiff: Deputy Stewart.

Deputy Stewart: I may well have an update, if I can just have one second to read it before I read out.

1800 So this is just generally from Condor and what they are saying ... But again, I would rather like to dig in a bit further to any statement that I am given. Their statement says:

'Yesterday's routine annual inspection of the Condor Liberation by the MCA and the Affaires Maritime coincided with planned repair and maintenance to the propulsion and steering systems on a non-sailing day. Consequently, the MCA found that until the systems were back in working order, the ship would be subject to a detention order. As is usual, a number of other matters were identified during the inspection; all of which will be also rectified before the ship returns to service. Once the repairs are complete as a result of the order, the ship will undergo re-inspection by the MCA and all of our port states and our flag states (the Bahamas). Regrettably the need for the re-inspection following the successful completion of the repairs and maintenance means that our operating schedule will be disrupted for at least part of this weekend. Liberation is expected to return to service in a matter of days. The exact return to service date is expected to be confirmed tomorrow, Thursday, 17th March.'

The Bailiff: Deputy Gillson.

1805 **Deputy Gillson:** Sir, the Minister made reference to legislation coming in for ramp licencing. Can he explain how our legislation would differ from Jersey, because they have got that legislation and it seems to be doing very little good?

1810 **Deputy Stewart:** Sir, I thank Deputy Gillson for his question. I think, clearly, in light of the events over the past year and today, that we will have to make sure that perhaps our ramp licence and agreement is more robust and I think, given that we are only at draft one, there is still quite a lot of work to do on that.

At this time, I think that we will have to review what we have contained in that agreement, look how it relates to the problems that we have been having and take that forward accordingly. But at

1815 the moment we effectively, I think, based it around Jersey's operating agreement, but clearly we will differ from it now.

The Bailiff: Yes, Deputy Sillars.

1820 **Deputy Sillars:** Sir, would the Minister not agree with me that it is at least unfortunate, if not as bad, that we are hearing through their website ... You are having to repeat off their website, and they have not actually told you at the beginning what exactly is going on and keeping you informed, and here you are having to read to us what is actually, publicly on their website. I find that the wrong way round.

1825 **Deputy Stewart:** I was reading an email that had been sent to me.

I think when I spoke to one of their directors at eight o'clock this morning and another director round about 11 o'clock, just before they were going into a board meeting... Clearly, when this notice was served it was probably served on someone operational down at the Harbour. It takes a while for this to filter up to the directors. Having been a director of lots of companies, I know it always takes a while to filter up. They are also understanding what it means for them as well.

1830 I think for us, we need to see the full facts. They had the detention notice. I would like to see a copy of that; I think it is right that we see a copy of it both in Guernsey and Jersey. We need to understand what that means and whether it could have been prevented.

1835 But, no, I am in direct contact; I am getting messages, emails and they are coming in steadily, so they certainly have not pulled up the drawbridge in any way.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

1840 Would the Minister agree with me that it is rather concerning that a detention notice was served and that we did not have notice that there were going to be problems with Condor before this? Should they not have noticed themselves that there was a maintenance problem with propulsion or steering, as has been said on their website?

1845 The point I am making is I have concerns that a notice has been served, rather than them just notifying the Channel Islands that they would not be sailing because there were problems.

The Bailiff: Deputy Stewart.

1850 **Deputy Stewart:** Certainly from the meeting we had last Friday, with both the shareholder and directors of Condor, the Chief Minister and I were well aware that they were going to do some more maintenance ahead of the busy Easter schedule. And I understand this notice was served, as I said to the Assembly, during the time they were doing this maintenance. So at the time the notice was served they had already identified problems which you could get in any vessel or any car and they were doing maintenance to correct that.

1855 So I think they themselves had spotted there was a problem and they were dealing with it at the time this notice was served.

The Bailiff: Deputy De Lisle.

1860 **Deputy De Lisle:** Sir, I am worried about the possible effect on the travelling public. Is the Minister confident that sufficient back-up is available not to impede the travelling plans of the public?

1865 **Deputy Stewart:** I think the honest answer from me is I am not convinced until such time that Condor give me the information that there is sufficient back-up at the moment. And this is some

of the assurances both I and the External Transport Group will seek from Condor because obviously in the short term if they bring the *Arrow* down to take over some of the freight and the *Clipper* can be released, but the *Clipper* cannot do the same job as the *Liberation*. There is going to be more disruption for passengers and there will more emails in my inbox. And, as much as I really do feel for them and I would like to help them, unfortunately in the short-term there is very little I can do other than try and hold Condor's feet to the fire and to ensure, with the support of my political colleagues on the External Transport Group, that we do make sure that there is sufficient back-up. But at this moment in time I cannot give you that assurance, because I have not had that detail from Condor.

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The Bailiff: This will be the last question because then the 15 minutes will be up.
Deputy Trott.

Deputy Trott: Sir, I ask the Minister, are we now in a position where assurances from Condor have reached a stage where we can no longer trust their judgement as operators of a reliable sea link, essential to our community?

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The Bailiff: Deputy Stewart.

Deputy Stewart: Sir, I hear what Deputy Trott says, and this is an extremely difficult question to answer; on two counts, because 80% of everything we see around us in this Island has been delivered by a roll-on/roll-off, in other words Condor. Their performance on the roll-on/roll-off has been exemplary. They have also had the *Arrow* on pretty much full-time charter to absolutely ensure that happens.

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When we look at what has happened over the past year: the passengers' disruption, problems with the weather that we have had which has exacerbated it, they have really struggled with this vessel. As Minister and for the External Transport Group, it has been very difficult because, if they were not transparent with us, if they had not been honest, if they had not engaged with us, then I would be thinking very differently now. But it is clear, and if I was Chairman of Condor, I do not think I could do more than they are doing now to try and make that vessel right. In terms of resources, in terms of effort, in terms of extra employees they put in place, in terms of new management they are going to put in place, I cannot think of anything in my wide business experience that I would do more.

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However, it clearly is not working and I think we have got to understand why they can manage our freight so well and not let us down and why we are having ... I think it comes down to perhaps lack of understanding of the vessel, the vessel being tied up for three years.

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But having said all that, no one is interested. What people want is a reliable ferry service, sir. What people want is not to be let down on their holidays. What people want is good communication when there will be disruptions, and whatever ferry we have there will always be a breakdown; there will always be problems, just as there are with aircraft. But right now they are well below par.

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So for some that want us to throw the baby out with the bath water, I sympathise with that, particularly when you have been inconvenienced and you are angry. We, as a Government, have to be measured, and we do have someone that does deliver our freight and looks after that well. But we have got to get this right, and we are running out of time to get it right as we come towards a very important time for us in the tourist industry. So over the next 24, 48, 72 hours, I think we really now have to work and be very straightforward with Condor that, if we are not getting it right, we are really going to have to look at what a plan B looks at, for us and for them.

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**Social Welfare Benefits Investigation Committee –
Comprehensive Social Welfare Benefits Model –
Debate continued –
Propositions carried**

1915 **The Bailiff:** Members, we will resume debate now on the Comprehensive Social Welfare Benefits Model policy letter from the Social Welfare Benefits Investigation Committee.
Deputy Fallaize.

Deputy Fallaize: Thank you, sir.
1920 When we rose for lunch, Deputy Dorey said to me, 'I hope you are going to be able to support my amendment,' which I should say to Deputy Lester Queripel is not bullying. (*Laughter*) It was just a question.

I understand why he asked me that question, because normally when it comes to these sorts of issues I would be of the same mind as Deputy Dorey. But, having thought about it over lunch quite a lot, I am not going to support this amendment, and I will tell you why and I will tell you why I think it would be a serious mistake for the States to support it.
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Deputy Le Lièvre will probably have more sophisticated arguments than I do about how one set of rates interacts with another set of rates and all this technically quite complex area of policy we are talking about, but my reason is very simple: I think that this amendment, if it is passed, will have a similar affect to a sursis, because what it says is it asks for a new Proposition 1A to be inserted:
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'To agree that their decisions in respect of Proposition 1 shall be subject to the Committee for Employment & Social Security reviewing the short term rates.'

That means that the changes proposed cannot be introduced until the Committee for Employment & Social Security has reviewed the short-term rates.

I suspect – though I do not have sufficient technical knowledge to know this – that it is not possible to review the short-term rates in isolation. But what I am pretty certain about is that, if the next committee is given a direction to review the short-term rates before the whole package is introduced, they will not confine their review to the short-term rates only. There will be a newly elected committee and they will inevitably review other aspects of the package. They will say, 'Well, if we have to review the short-term rates, what about the long-term rates? What about this element of the package here? What about that element of the package over there?' And very soon, what is presented as a complete package will start to untie and I think that this amendment could work, as I say, as an effective sursis.
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In a way I have a lot of sympathy with many of the points that Deputy Dorey makes. The short-term rates proposed are a bit on the stingy side – he is right – but this is an occasion where I think perfection is the enemy of the good. The only way of ramping up the short-term rates would be to ramp up the overall bill, and previous Committees have failed in their attempts to get through the States more generous packages. I would like this package to be more generous than it is, but I think that in its present form this package has a good chance of getting through the States and it has a good chance of being funded during the life of the next States. Therefore, I do not want to see it unpicked. I really do think that, if the package is made subject to further review of one component, effectively all of it will end up being reviewed and Members who ... I think the majority of the States probably are inclined to support these propositions at the end of the debate, given the results of the vote on the sursis. I would say to Members, please do not, if you intend to support this package, insert this new Proposition 1A through this amendment, because I really do believe that you will be seriously compromising the likelihood of this package actually being implemented in the life of the next States. This has been going on for years; this is the third Committee to have a look at it. It is not perfect, but I think we need to get it in place and it can always be modified at a later date.
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So please Members, reject this amendment.

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A Member: Hear, hear.

The Bailiff: Deputy Le Clerc.

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Deputy Le Clerc: Thank you, sir.

I also urge you to reject this amendment, and I would just like Deputy Dorey in his summing up to clarify where the actual amendment itself ... Because I, like Deputy Fallaize, think that it is almost a *sursis*, because is it to have an additional Proposition 1A and to still have Proposition 1a and then you have still got Proposition b? So I find it *very* confusing as to what impact the actual Proposition would have on our recommendations. So that was just one point.

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I urge you not to support the amendment. The Committee spent a considerable amount of time looking at all the rates. This amendment will undermine all the work, as well as increasing the costs. We have already seen with the *sursis* this morning that some Members find the costs of the proposals we are making unpalatable, this will just push more Members to say, 'This is just too much for us in the current economic climate.'

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To remind you, pensioners will automatically go onto the long-term rates. We have given an element of social inclusion for the very young children. All of this was discussed and debated at great length, and we felt that we had come up with a robust and reasonable package that balances the immediate need of those facing short-term claims with incentives to get people back into work. I think our paragraph 82 of the Report gives our philosophy behind our decisions.

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We have also decided that long-term rates will kick in after 26 weeks, whereas previous proposals to this Assembly have said that long-term rates will not apply until 52 weeks. Again, I think that was part of our discussions.

I also just want to remind the Assembly that with short-term benefit rates claimants are still eligible to receive assistance with their GP visits, prescriptions, and if they are claiming through the winter fuel period, they will be eligible for some winter fuel allowance.

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I urge you to stick with the proposals of SWBIC and not approve this amendment.

Thank you, sir.

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The Bailiff: Deputy Green.

Deputy Green: Sir, yes, very briefly. I do not accept the point that Deputy Fallaize made a moment ago. He was saying, in terms, that if this amendment is successful then it would mean that the Committee for Employment & Social Security will have to review the short-term rates, but that will inevitably mean that the rest of the package will be reviewed. I think that is a *non sequitur*, sir. I think the issue which is flagged up in this amendment is a discrete issue. It is the issue of short-term rates only. The effect of this amendment is purely for the next committee to review those short-term rates and nothing else. No States can bind its successor, we know that.

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In terms of what the next Committee for Employment & Social Security will do with that review is a matter for them. They might conclude, rationally, that the short-term rates that are proposed in the SWBIC proposals are actually too high. They might conclude that they are too low. I think they are too low, but it will probably be a matter for them to decide that.

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But the *raison d'être* of this amendment, sir, is because of a genuine concern in this Assembly and elsewhere that the short-term rates are too low, as they are proposed in this policy letter as unamended. We wanted to introduce an extra check or an extra balance to make sure that there is some further scope for review. I think it is not seeking perfection; it is purely seeking one final opportunity for their next committee to review what we consider to be rates that are less than acceptable.

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I do not think the effect of this is to unpick the whole thing. It is a discreet issue and it does not go any further than that.

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I would ask Members to support the amendment.

The Bailiff: I see no one else rising. Deputy Le Lièvre.

2015 **Deputy Le Lièvre:** Thank you, sir.

Deputy Dorey knows as well as I do that, to pick out individual rates and then compare them with other individual rates and make an assumption that you then have reached the answer, is in benefit terms very unwise.

2020 Deputy Le Clerc has already said that pensioners will not go anywhere near these rates. They will go straight onto the long-term; so will the disabled and so will anybody cast under the current supplementary benefit law as incapable of self-support. That, generally speaking, will reflect a person who has no likelihood of ever again working. They too will go straight onto the long-term rates, because they cannot improve their circumstances; they are what they are. All of those groups will go onto the long-term rates.

2025 Now, let us look at the situation with regard to families, because they are one of the biggest groups, especially now that the rent rebate scheme will be brought within the confines of supplementary benefit. Working parents will become one of the largest groups, in addition to those people who already receive a top-up. And when you take mum and dad, or even a single person – we will start off with mum and dad – they would have the couple rate, which is £171, which is significantly less than it is now, but they will also have, if they had three children – and I have done a little calculation here with ages of children of three, nine and 14 – they end up – because we have retained the social inclusion element for children, because we want them to be able to buy presents for their brothers and sisters; we want them to go to Beau Séjour swimming club etc. – we have retained that in the elements. When you add those individual requirements together, you end up with almost exactly where we are now on the short-term rates. There is no huge reduction.

2035 In fact, when you add the rent in – if we said £248 – on the first day they could claim benefit, mum and dad and their three children would receive a global cheque for £503.84. Now, that could be more than the gentleman was earning before he became unemployed. So the argument about debt: if he was in debt before he made a claim, he could potentially be better off even on the short-term rate.

2040 But if you take that same couple ... And this is where I think Deputy Dorey has been a little bit disingenuous. He has compared it with what I shall call the '2012 failed rate'. If you take the same couple: mum and dad and three children, their requirement rate – and there was no benefit limitation in 2012 – on the short-term would be £702 per week from day one, which is equivalent to £36,400 a year or, before tax and insurance, £40,000 a year. That would be the short-term rate for a mother and father and three children ages 13, nine and four.

2045 That is why I am saying you cannot look at rates in isolation. Similar figures can be extracted for a single parent. The short-term rates, in some respect, already represent more than a person could be earning from gainful employment. Of course, with the couple rate, if you had a couple, they are under 65, are they both unemployed? Are they both sick? Is one in employment? It is very easy to take these rates out and say they are very much lower, they cannot be right. Go ahead and look at them again. It is not that simple. When you start to strip out these individual cases, you are left with a single person living in their flat or living ... They will not be living in social housing, generally speaking; they will be living in a flat. And we, the Social Security Department, will pay their rent and they will give them a fuel allowance, as Deputy Le Clerc has already pointed out, and they can go to the doctor. They will be left with ... I appreciate what Deputy Fallaize referred to as a, I do not know, 'squattie' or whatever. (**A Member:** Stingy!) Stingy: that is the word I was looking for. 'A stingy amount of benefit'. But they will have sufficient to buy their food and one or two bits and pieces beyond that. This is the exercise: the family basket that SWBIC went through. They account for everything. The food elements were produced by a dietician. They

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are not that stingy. They will provide for a single person; they will provide for a couple; they will provide for a family.

2065 But the *danger* is, if you start putting debt provision into some sort of requirement rate, how much do you put in? What do you allow for debt? And can you be assured – as was pointed out to me on countless occasions by the other Members of SWBIC – that they will pay their debts or will they use it to socialise with their friends down the pub every night? Now, I am not suggesting for one minute that would be the case, but we are talking short-term. Deputy Dorey has already told the Assembly that the average short-term claim is just 12 weeks, not 26, not 52, but just 12
2070 weeks. This is a basic benefit to get you through that time.

As I have said, the rate for a family would be £700 a week. You start to edge into the realms of the ridiculous if you are not careful. I would very much warn against any further interference in these rates at this moment in time. The Scheme has not come into operation. When it does, after a year or even possibly a shorter time, it will be the new Committee for Employment & Social
2075 Security that can review these rates in the light of experience. Have people really got into trouble? Have they needed debt counselling, because their benefit was simply not enough to get by on? Or will they find that there are no complaints whatsoever, in particular for those families I have talked about, who will in some instances be better off on the short-term benefit rate than they are in employment?

2080 This is why there is a bill for £3 million! It is not because we have squeezed one system into the other, trying to make a saving. There are already people within social housing who could claim benefits under the existing rules; maybe not short-term – although possibly there are – but certainly under the long-term rates, some social housing tenants could claim now under the existing supplementary benefit rates.

2085 Do not tinker with what you do not understand. These rates have to be dealt with in total. They are *not* to be considered in isolation. Yes, they are stingy, if you like. I would have loved to see higher rates, but one has to be realistic; this comes at a price. One of the things I have been reminded of by the administrator at umpteen meetings of SWBIC ... He said this ... Reminded constantly that small changes to benefits rates applied on a weekly paid basis to thousands of
2090 households very rapidly builds up into *very* large numbers indeed. We are talking hundreds of thousands of pounds.

I see Deputy De Lisle is horrified at that figure, but we are talking minimal hundreds of thousands of pounds. If you tinker with the short-term rates, please do not believe Deputy Green when he tells you that you will not stray into the long-term rates. It is as sure as night follows day,
2095 the relationship between the short-term rate and the long-term rate has already been settled by this exercise that SWBIC went through. If you increase the short-term rates, the long-term rates will almost increase automatically and we will be back into a picture of total unsustainability. And it is sustainability that is the name of the game with SWBIC's proposals.

Thank you, sir.

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The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

2105 It is interesting that in the speech on the sursis Deputy Le Lièvre spoke about the sick and the effect it has on them being on rates, but he has not spoken about the sick in relation to this, (**A Member:** Hear, hear.) because it is the sick that are actually far worse off by these short-term rates.

2110 Deputy Fallaize said it is not possible to review the short-term rates only, and Deputy Le Lièvre says the same thing. Well, I have been on Social Security for five years, and it is possible to review one without reviewing the other. Yes, there is a relationship, but they have changed the relationship between the two rates by putting such a big gap between them, so it is perfectly possible.

2115 He said it is a bit on the 'stingy side'. I think that is a gross understatement. A 30% cut in some of the people who are on the lowest rates is 'a bit stingy'! I cannot believe this Assembly wants to give a 30% cut to some of the people who are right at the bottom. I think 'a bit stingy' is a gross understatement. (**A Member:** Hear, hear.)

He says it would ramp up the whole bill. I think by that statement he is accepting that they are not right, because it would not ramp up the bill if they were not changed. That is the point of the review: it is a second pair of eyes.

2120 Deputy Le Clerc said it was not a review; it is a sursis. It is not a sursis! It is simply saying to the Committee for Employment & Social Security, before you come back to them, review them, because there is such a big difference between the current rates and the new rates. They will have ample time to do that. They can do that review and when they report they will have said they have done that review. It simply is a check in the system, because there is such a big difference.

2125 She talked about the lower rate. I do not see it. I have read the Report. I cannot see any justification for the big drop in the lower rate.

She mentioned pensioners and young children. Yes, I agree that pensioners are not affected and I agree that the rate for young children is slightly increased. But, yes, it is very easy to mention the ones which are increased. I am mentioning the ones which have been significantly decreased, and that is what my concern is about. It is those claimants whose benefit will be cut.

2130 She mentioned about the 27 weeks. That is exactly what it is now; it is 26 weeks now. Yes, both the 2012 and 2013 reports said to increase it to 52 weeks, but 26 weeks is what it is now.

Deputy Green – I thank you for seconding it – said it is not unpicking the whole issue. It is a focused review on just one element of it.

2135 Deputy Le Lièvre also mentioned about pensioners and disabled, and not being able to work again, will all be on the long-term rate. He mentioned about families and he used some examples of a large family. He said that I have just compared it to the 2012 rates. That is totally not correct. On the back of the amendment there are three sets of comparisons and all the percentages I have used are against the existing rate. The 30% drop is on the existing rate. I have also compared it to the report which came from the Social Security Department in 2013, and I have also compared it to 2012. He is wrong to say that I have just compared it to the 2012 rates. I have done it to those other rates.

2140 He was very happy to mention about a family, but he did not mention what happens if it is a single mother who goes on to benefits, who has got a young child. Yes, for her under-five child, she will get an extra £5.73, but for herself she will get £40.41 lower, so overall that is a £35 drop. Is that really what we want to do in this Assembly: to reduce that person's benefit by such a large amount?

2145 He mentioned about doctors. Yes, well, anybody on supplementary benefit now is covered by doctors, so that is not a factor.

2150 **Deputy Fallaize:** I thank Deputy Dorey for giving way.

Really, although he is laying an amendment to have a review, does he not agree with me that what he is really wanting is an increase in the short-term rates, because that is what his speech is based around? Now, if that is so, why did he not lay an amendment to increase the rate? Why does he want to put the next committee in the same position of having to propose increased rates and risking undoing the whole package?

Deputy Dorey: It is not risking undoing the whole package.

2160 I am trying to put the case of why these rates need to be reviewed. I am comparing them to the existing rate and saying, 'Look there is ...' Because that is exactly what Deputy Le Lièvre has done: he has compared them for cases where there is a positive outcome. I am not doubting that, but I am saying for particular, very vulnerable people in our society, there is a big decrease. I think before we resolve, by supporting these resolutions, to say these are the rates we want the Committee for Employment & Social Security to come back, they need to do a review. Obviously, I

2165 am going to show you the ones where there is a decrease. I am not saying that they need to be changed. I am saying they need to do a review. But I did say in my speech, very clearly, that in terms of relative poverty, they are so much lower than the existing rates. How we have tried to measure relative poverty before, it does give me an indication that they will cause relative poverty.

I am not trying to tinker, as Deputy Le Lièvre has said. I am just saying. 'These need to be reviewed.' There is a big difference. Most of the other rates are increased but he said, for these, there is a decrease, and I believe there is such a decrease for the most vulnerable people, it should be reviewed. That is not tinkering.

I finish up by saying this amendment is concerning a review, a second pair of committee eyes looking at *just* the short-term rate. Because they are so much lower than the existing rate and there is such a big difference between the short-term rates and the long-term rates.

If SWBIC is confident they have calculated the proposed short-term rates correctly, they should not be opposing this amendment, because they should know that any review will come out with the same conclusions as them.

2180 **A Member:** That is a good point.

Deputy Dorey: Please support this amendment, to make sure that the proposed short-term rates, which are up to 30% lower, are correct for the sick, the unemployed, and those separated, for up to 26 weeks.

2185 Interestingly, I got from Social Security: although there is a limit of 26 weeks, they do actually pay out these rates, sometimes, to people who are over 26 weeks. In fact, in the week they looked at, there was 149 people who were over 26 weeks; they were still paying the short-term rate. So it is not just to short-term people. It is not a huge amount of Social Security's budget, but it is an important part for the most vulnerable part of our society.

2190 So please support this second pair of eyes.
I will give way.

Deputy Le Lièvre: Perhaps, through you, sir, Deputy Dorey might explain why the short-term rates are actually longer than 26 weeks, on occasions.

2195 **Deputy Dorey:** I only have the information that Social Security have given me. They said:

'However, 149 of these cases were Jobseekers who were still expected to find work or increase their hours worked and such had been on short-term rates for longer than six months. Focussing just on the 257 short-term claimants under six months duration, including the newer Jobseekers, the total duration of all the claims was 22,734 days, giving an average of 88 days or 12 weeks.'

I would like a recorded vote please, sir.

2200 **The Bailiff:** It is a recorded vote on the amendment proposed by Deputy Dorey, seconded by Deputy Green.

There was a recorded vote.

2205 **The Bailiff:** Members, while those votes are counted we will commence general debate. I call first Deputy Langlois to be followed by Deputy David Jones.

Deputy Langlois: Thank you, sir.

2210 As Minister of the forerunner Department for the Committee that will implement these proposals, let me make it clear straight away, I hope all of the States' Members will support all of the Propositions of this excellent Report. I certainly will.

Over two years ago, if you used the terminology that is often used in this Assembly, my Department was defeated and the *enfant terrible* of SWBIC was born, in a quite peculiar way. There was a delay ... We had a break half-way through the debate, and all sorts of things happened, like the sort of things that happen in this Assembly.

2215 I want to congratulate Deputy Le Lièvre and all his fellow Members of SWBIC on getting this Report to the Assembly before the term expires. Well, okay, they have only just made it. They scraped over the line ... Well, it remains to be seen, sir, presuming we finish debate by Saturday evening or Sunday evening. But nevertheless, I think they are going to get there, and I know how hard it has been for them to achieve this. I know because Members of my own Committee have
2220 been part of it. I know that my officers have been severely stretched by the work – not in terms of ability, but in terms of timeframe – whilst running the Department at the same time. But they have made it.

The irony of this is that the timing is similar to the 2012 Deputy Dorey report. March, just before the Election, we had quite a big price tag on that, and the irony of the timing has been
2225 noted. But I am very much hoping that the outcome will be very different this time. The proposals are very different and they are, in financial terms, most of all. I think this Assembly, now, is far more accepting of fiscal reality than the Assembly that turned down Deputy Dorey's proposals in 2012. And let us not forget that sandwiched in the middle of that was the attempt that the Social Security Department made to get some reasonable proposals approved before the formation of
2230 SWBIC.

I recall being – hopefully, I did not show this in an unparliamentarily way – less than pleased at the time. Deputy Jones and I swapped a few strong words on the occasion and that led to somebody else interceding and saying – not least of all the Bailiff at the time ... Various people interceding and saying, 'What we need is more detail. What we need is a blank sheet. What we
2235 need is a combined effort between Social Security, Housing and Treasury, and then we can bring some sort of combined effort to the States.'

I think that it is appropriate, yet again, to mention one person who has been instrumental in achieving that. He and I have not always seen eye to eye on every matter of social policy. Is that an understatement, sir? But nevertheless, Deputy Le Lièvre must be congratulated. (**Severall
2240 Members:** Hear, hear.) If this next bit sounds like a backhanded compliment, sir, I apologise in advance, but he must be congratulated because this is the most coldly-calculated, reasoned set of proposals I have heard him put forward. (*Laughter*) He has managed to keep some of the heavier emotion out of the argument, because he, on this occasion, has shown huge stature in proposing a compromise which takes into account the cost of the whole thing. That is what this is all about; that is what it has to be about.
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We heard some strong views on the other side of the argument of saying, 'Even this costs too much.' But as people know, when I joined Social Security, I did not exactly have a reputation for being spendthrift or generous, but nevertheless I knew almost immediately that there was going to need to be a price ticket to these proposals. I think Deputy Le Lièvre has come up with a very
2250 good compromise. He is to be congratulated for that.

There are other people to be congratulated here and that is that Members of my Department joined the Committee; Members of Housing joined the Committee. They are on familiar territory because this was part of their normal business. But then we dragged ... Sorry we *invited* (*Laughter*) a representative from Treasury & Resources, who welcomed the invitation and threw himself into
2255 it very enthusiastically. Deputy Perrot, I am sure, will speak for himself, but he has had a very hard journey, I am quite sure, to see this through. Finally, there was an independent Member, not to be unfair, not renowned for his generosity – I do not mean that on a personal level, but his fiscal generosity. Deputy Gillson, of course, with his forensic attention to detail, I am sure has made a valuable contribution to that Committee as well.

2260 While the three reports that I refer to: the Dorey Report, the Langlois Report and then this one, have differences in benefit rates and various rules of entitlement, the central proposal has always been to bring to an end the rent rebate scheme as a separate and different benefit scheme. There

2265 has been a lot of comment publicly, and I know there are strong feelings amongst people who have been receiving rent rebates, that the rent rebate is not a benefit. I am sorry, sir, it does not matter which way you look at it, it has the same effect on the public purse, and most of all it has the same effect on the public perception, and large groups of the public who absolutely resent the benefits handed out indirectly via the rent rebate scheme and feel that there is some exploitation in the system. I will go no further with that. That is a very real perception; whether it is reality or not we cannot say.

2270 So how do we actually get around this? Because once you reach that point, you realise that there will be ... The phrase I was criticised for, probably by Deputy Jones last time, 'Winners and losers'. He does not like that phrase, and I can understand why. But there will be people who gain, there will be people who lose. One key component of these proposals is the three-year phasing in period. I will acknowledge absolutely that, if our original report had had even that amount of
2275 detail in terms of a phasing period, we might have got the extra one and a half votes we needed to get the thing through the first time, but nevertheless we did not. The implementation period is absolutely vital. It is vital because people in the circumstances here, where they may be on the edge of the supplementary benefit scheme, need time to change certain aspects of their financial life, of their lives, to make sure that they can manage on what the new rates are going to be.

2280 The refining of the basic premise of how much you need to live on has been very detailed. I know from feedback from my Committee Members who, on occasions, were quite stressed about the whole thing and the decisions they had to make, and used to bore us to death ... Sorry (*Laughter*) used to raise this regularly in our Committee as to how far this should go and how far it should not go and so on. There were two Members of quite differing views in that. I am confident,
2285 because of that level of detail, that they have come up with an answer which is sustainable and is right.

Assuming that the States approve these proposals, the speed of the implementation has got to depend on the availability of funding. Remember, today, we are not approving the funding immediately. That is a vital part of this, because it still has to ... I think the term has been 'Get in
2290 the queue!' Of course, after – unless people change their mind – April, Deputy Le Lièvre will not be in the queue, because he will not be there either, and I will not be there and so on. But somebody will keep our place in the queue, I hope, and they will be getting in the queue for the additional funding when it is right. I hope that the Policy & Resources Committee take due regard of the need of this and the need for this to happen, again to remove some uncertainty and to let people
2295 get on with their lives. But remember, above all, you are not approving increased expenditure today.

We have got Housing and Social Security coming together with other functions in the new Committee, and that new Committee will be ideally constituted and mandated to follow through these Propositions as quickly as the financing allows.

2300 Once again, sir, I cannot really overstate my congratulations to the Committee that was formed.

Please, I encourage Members to support all the proposals.

Amendment by Deputies Dorey and Green

Not carried – Pour 7, Contre 35, Ne vote pas 0, Absent 5

POUR

Deputy Gollop
Deputy Lester Queripel
Deputy Ogier
Deputy Laurie Queripel
Deputy Lowe
Deputy Green
Deputy Dorey

CONTRE

Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Sherbourne
Deputy Conder

NE VOTE PAS

None

ABSENT

Deputy Bebb
Deputy Stewart
Deputy Spruce
Deputy Le Tocq
Deputy Burford

Deputy Parkinson
Deputy St Pier
Deputy Gillson
Deputy Le Pelley
Deputy Trott
Deputy Fallaize
Deputy David Jones
Deputy Le Lièvre
Deputy Collins
Deputy Duquemin
Deputy Paint
Deputy James
Deputy Adam
Deputy Perrot
Deputy Brouard
Deputy Wilkie
Deputy De Lisle
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Luxon
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley

2305 **The Bailiff:** Before I call Deputy David Jones, I can announce the result of the voting on the Deputy Dorey/Green amendment. There were 7 votes in favour and 35 against. The amendment was lost.

Deputy David Jones.

2310 **Deputy David Jones:** Thank you, Mr Bailiff, Members of the States.
I just wanted to say one thing about Social Security as a Department, really to help cover some of the issues that Deputy Dorey and others raised. In the 16 years that I have been in the States, every single time I have had an issue or a parishioner has brought a problem to me where they are clearly struggling and the net that is too low to the ground has become a factor in their everyday life, I have made an appointment or spoken to somebody at Social Security, and I can
2315 tell you there is not a single occasion where they have failed to help that person. Not a single one, rules or no rules. Now, we have a set of rules and we have legislation, we talk about rates and all the rest of it, but Social Security staff are very adept at – I am not saying bending the rules but – finding ways where extra help can be given to these people. So I just wanted to make that point first.

2320 Of course, you feel uneasy voting against amendments like Deputy Dorey's, because he is a decent man and he wants the best for the poorest in this Island and don't we all? But I am confident that in the future the same Social Security staff that have come to the fore in the past will do so in the future.

2325 The other thing I just wanted to say before I start on my speech is the definition of who benefits are for. Benefits should be for persons who are unable to provide for themselves by way of any employment, due to age, incapacity, lack of suitable skills or child care. For everyone else, employment must be the route out of poverty.

2330 Firstly, I want to carry on in the vein from the Deputy Chief Minister. Let me commend Deputy Le Lièvre and the other Members of SWIBIC for the huge amount of work that they put into these proposals. Merging the rent rebate and supplementary benefit schemes was never going to be easy. You only need to look at Social Security and Housing's failed attempts – which have already been referred to – to do so in 2011 and 2013, to be reminded of the scale of that challenge. SWIBIC, in fact, had a monumental task on its hands when they took on this role.

2335 It was told by the States to go away and create a new income support scheme that would replace supplementary benefit and rent rebates. It was also told to balance the needs of social housing tenants with the needs of low-income families living in the private sector. That is an important point to remember there. In addition it was required to fix a system that expected social housing tenants on supplementary benefit to report to two Departments and to tell two different sets of civil servants the same personal information before they could be offered any help at all.

2340 So make no mistake, the current system had to be replaced with something better and by and large SWBIC has come up with something I believe is much better. For that reason the Housing Department, by a significant majority, gives its backing to these proposals.

2345 We are particularly pleased to note that SWIBIC has used the 'basket of goods' approach to create a type of minimum income guarantee. When Housing objected to Social Security's attempts to merge the benefit schemes in 2013, it was on the basis that a different method had been used to calculate the rate. In actual fact, I think I referred to it at the time as a 'finger in the air' and 'pick a figure', which is why the headlines said the next day ... I think Deputy Fallaize said it was £19 million. It was somewhere in that region, which was clearly a ridiculous amount of money. Using the basket of goods, regularly repriced, is unquestionably the right way forward.

2350 All that said, this has not been an easy journey for me, either, or for my board. I would be lying if I said that Housing was particularly enamoured with every single element of these proposals. In fact, one Member of Housing, Deputy Paint, as you have already heard, cannot support any of them, but he has been consistent in his objection to many of the aspects of this Report from day one.

2355 As the policy letter makes clear, some people – a small minority, and all of them social housing tenants – will be slightly worse off as a result of these changes. Now, I will not sugar coat it, some people *will* lose out; there is no doubt about that. And it is not easy for me, as I say, as Housing Minister, to support that. Anything that leaves some of our tenants worse off makes me very uncomfortable indeed. I, like Deputy Lester Queripel, did not come into the States to hit the poor; I came in to help them. I think you will see what Housing has done with social housing, we have worn out several sets of horses to try and help people on lower incomes, at the very least, get some decent housing.

2365 So, ideally, the two schemes would be merged without anyone losing out; claimants and tenants would be better off, or at least no worse off. But that, I am afraid, is not realistic and if it was Deputy Le Lièvre and his team would have found a way to make it so. The only way that could happen is if benefit rates were increased – and they would need to be increased to such an extent that the cost of the income support scheme would be increased by millions of pounds a year. The truth is, we simply do not have those kinds of funds any more.

2370 What the proposed income support scheme does do, however, is leave the majority of low-income families, including social housing tenants better off. Thanks to the way earnings and savings are treated, plus expanding medical treatment cover and extra fuel payments in the winter, most of the low-income households on the Island will benefit from these changes. That is why Housing is firmly on board with the SWIBIC proposals.

2375 There is of course an argument that the three-year transitional period should be longer – and I made that point round the table on several occasions – in order that social housing tenants facing the biggest jump in rent can better adjust to their new financial situation. However, Housing accepts that, on balance, extending the period would again jeopardise the cost of these proposals and jeopardise their implementation at a time when we are going through a pretty austere period.

2380 I am acutely aware that our tenants are uneasy about these proposals and, until this debate is over and we know which proposals are in and which proposals are out, we will not know exactly what shape the new income support scheme will look like. But only then can we begin talking to our tenants individually about the impact any of these changes may have on their households. Of course we will do that; that is what Housing and Social Security does.

2385 You have my solemn promise, as I stand here today, that the Housing Department, whatever shape or form it takes in the future, will ensure that every one of its tenants knows exactly what

their individual financial position will be, and we will do everything we can to make any transition from the old system to the new system as painless as can be made possible. (**A Member:** Hear, hear.)

I thank you, sir, and I hope you all support the SWIBIC proposal.

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The Bailiff: Deputy Adam.

Deputy Adam: Thank you, sir. I will be brief because in my opinion the information has been so well presented and clear, across the depth and detail that is required for such a difficult subject.

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Also, sir, I think Deputy Langlois and Deputy Jones have said most that has to be said concerning this.

I first came across Andrew Le Lièvre way back in the 1990's, when we ended up on the same committee discussing, actually, early pregnancy and termination of pregnancy, and recognising at that time his breadth of knowledge of SSD and Housing at that time was fantastic. I do feel, yes, he has had superb support from quite an interesting collection of Deputies on that Committee, if you look at them, and also from the Departments concerned, but, if you want something to progress you have to have a whipping boy, and I am sorry, Deputy Le Lièvre, I feel that you have been excellent at making sure that this did move forward, despite the amount of effort it has taken you and the amount of frustration on your face, and lines that have increased on your face!

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(Laughter)

The main part of this is obviously the financial aspect. Again, as Deputy Langlois said, knowing his character and background, I think he has done a huge amount of work to bring in a Report that appears balanced and fair and yet with a reasonable price tag on it. We may not be able to afford that at the present time, but compare the last two reports – and some people may say they are completely exaggerated amounts – he has brought something that has been worked on hard by those in the Policy Council doing the statistics and the finances and, as I say, with Deputy Le Lièvre chasing up the results and answers he wanted.

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I think we have to be honest and realistic. If we want to get rid of this discrepancy between rent rebate, housing and supplementary benefit, we have to accept it is going to have a certain amount of cost to it. Cost to the tax people, but also cost to individuals, as we have heard Deputy De Lisle saying: about 700 people are going to be slightly worse off, and some are going to be slightly better off.

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But I am sure if you want to sit down in a quiet room with Deputy Le Lièvre over about two or three days, you will find every detail of how they arrived at that information and made sure it was as fair as possible. I personally hope it does come quite far up in the queue for implementing, because until we get this implemented we will not see how well it works. I do not feel you will be able to change things or tweak things too much until you get a much better grip on how it is going to pan out over the next two or three years it is going to take to implement.

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So whoever ends up in this Assembly after May, please take this on board and please try and implement it.

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Again, can I think Deputy Andrew Le Lièvre most sincerely for the work he has done in this field.

Thank you, sir.

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The Bailiff: Deputy Domaille.

Deputy Domaille: Thank you, sir.

I, too, agree with everything the previous speakers have said. I think Deputy Le Lièvre has done an amazing balancing job – but it is a balancing job. I just rise really to highlight that, whilst we are going to be alleviating some of the discrepancies that exist, we are not eliminating them. (**A Member:** Hear, hear.) By way of example, I think a person reading this Report might not fully understand the difference between the discount that has been applied to social housing tenants

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2440 and private sector tenants. If you take the figure that is in this Report, it is roughly £250 a week, I think, is quoted as a standard base rent for a three-bed social housing unit. That is roughly £1,100 a month. In today's market, private sector rent would be around £1,600 a month. That is a difference of, what, £125 a week? But on top of that, the social housing tenant gets a rent rebate of, shall we say, £100 a week – and probably more, as an unbiased person would add.

2445 So we are looking at a considerable difference in the money actually being paid out by these tenants. Now, of course they have got different domestic circumstances as well, but I do think that we need to highlight that there is a long way to go in bringing this system into equilibrium, and what I think most people would consider to be fair.

Thank you, sir.

The Bailiff: Deputy Le Clerc.

2450 **Deputy Le Clerc:** Thank you, sir.

I, like fellow Committee Members, have given a great deal of time, effort and thought to these recommendations. Just picking up on the last speaker's theme, one of the reasons that I agreed to commit to this project was my long-term concern that we have been unable to help many families living in private rented accommodation who are paying out a much higher proportion of their earnings in the rent than social or GHA tenants.

2455 This is a step along the transformation of our welfare system. Without this foundation we will not be able to build a fit-for-purpose welfare system, to see us through the next 20 years and beyond.

2460 We know that there are financial pressures, but this is the right thing to do. Many social housing tenants do not accept that they are already receiving a benefit, but rent rebate is a direct benefit. That benefit costs approximately £7 million in lost rent each year; that cost is subsidised by the same taxpayers that fund supplementary benefit and it is often more generous.

2465 Over the past few weeks I have met with tenants who have had doubts and concerns over these proposals. There are some who will be worse off, and that is why we are proposing a three-year transition. Yes, this transition period comes at a cost, but it is a cost we *must* bear to support families through the changes.

2470 Many families, especially those with young children, will be better off due to our enhanced children's rates, and I support this. We acknowledge that there are some refinements that may be needed before the transition starts, and we acknowledge that on page 1928.

2475 Now, one of the things that has not really been mentioned today from other speakers but cropped up when we were meeting with tenants, and the criticism from tenants is the need to improve communication and service levels between the Departments, tenants and supplementary benefit claimants. I think that is an important point, and we must ensure that we give confidence to claimants that they will be treated, firstly with respect, and secondly with a timely, efficient service where they only need to give the information to the Department once. We need to streamline systems that meet the needs of those tenants who work – and there are many tenants that work. The last thing we want them to do is constantly be queuing at Wheadon House to update their financial circumstances.

2480 One of the issues highlighted by current tenants for those in work where their income fluctuates week-on-week, we need to ensure that there are systems in place and financial support is available *when needed*, and that is where the rent rebate has helped these families in the past. The amalgamation of the two Departments under the new Government reform should hopefully assist in ensuring a more streamlined service.

2485 I must admit that after almost four years on Social Security Board and with the additional work on SWIBIC Committee, I still find this an area of work that is complex. Understanding benefit limitations and disregards are quite difficult to grasp. To ensure that the Committee were united in their support, we have spent a great deal of time looking at the issues and hence the delay in

our report. That was just picking up this morning on Deputy Queripel's complaint that we had taken too long and we were bringing this in at the last minute.

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I must, at this point, thank Deputy Le Lièvre, together with the rest of the Committee and importantly the officers of both Social Security Department and Housing, for all their hard work. **(A Member:** Hear, hear.) I have learned so much from Deputy Le Lièvre, and we have both at times been surprised that much of our thinking has been the same. It must have been like herding cats at times, but we have finally got here.

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I urge you to support our recommendations and continue the process of reform of our welfare system.

The Bailiff: Deputy Paint.

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Deputy Paint: Sir, I will continue a little bit on what I was speaking about this morning.

First of all, I did attend the consultation with States' house tenants at Beaucamps School earlier this year, and I have to say that the people attending that meeting were very unfavourable of what is being proposed. In fact, I believe there was quite a lot of shouting going on.

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I will move to the questions I was going to ask this morning, and it is to do with private tenants. I will ask you to consider these questions. I do not expect an answer now, but I think it is worthwhile considering them.

The first one is: will the recipients of assistance be expected to comply with the same rules as social house tenants: that 25% of their total earnings will be part of the rent? I did not see that in the consultation. If that is not the case, will this disadvantage those private tenants, renting houses, to do a little less work when assisted to pay the rent for themselves?

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Just before going on, I have to say that I have to declare an interest here, because I am a landlord of one house. I will stand down for you.

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The Bailiff: Deputy Dave Jones.

Deputy David Jones: Thank you. I thank the Deputy for giving way.

The help to the private sector rental tenants is that many who live in that private rental sector pay a disproportionate amount of their income in rent. It is what Deputy Roffey used to call, when he was here, 'rent-induced poverty'. Now, the help that they will be receiving under these new proposals will be to try and redress some of that balance. So the 25% that applies to States' house tenants is there because we know that they are the poorest of the poor, living in our houses. But the private rental sector is to help them try and bridge the gap between the amount they pay in rent and their income and the help that they might need for other things such as food, clothes and other issues for bringing up their children. *(Interjection)*

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2525

Deputy Paint: Thank you, Deputy –

A Member: You have turned it off.

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The Bailiff: Your microphone is off rather than on. *(Interjection)*

Deputy Paint: Sorry!

We have been informed in the past that Government should never interfere with the private housing market. If we assist private tenants to pay their rents, is that not interfering with the private housing market in another way?

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Would this assistance in fact be assisting the landlord to maintain high costs of rented private property?

I do not expect to have answers to this but I think these questions have to be asked.

2540 Moving on a little bit ... I have just made a couple of notes. We have a three-year period of putting this altogether, which does not appear to fit very well with the availability of money. So, looking at it thorough my eyes, in three years' time it will be all done regardless of whether there is money or not. I have to question that.

2545 Now, a little while ago, in this debate, Deputy Fallaize, I think it was, said that, 'If you do not like this, vote against it.' Well, I do not think that is really fair. I think that is stifling debate, because this is an Assembly of debate. (**A Member:** Hear, hear.) I think what we should be doing is listening to everyone's point of view, but that is not what I have found at all when I have visited SWBIC or debated in this Chamber. I have not felt bullied, because I do not think anybody would bully me, (*Laughter*) but have felt barracked, I have to say. So, with that, I will leave it.

2550 The whole idea is not to go against these Propositions, but to make them better. I believe that what I put forward to SWBIC – which was not very well received – could have been a way to do it. Thank you, sir.

The Bailiff: Deputy Fallaize.

2555 **Deputy Fallaize:** Thank you, sir.

2560 This is clearly a very thorough piece of work. I think one of the things which helps is that it is a very well-written policy letter. (**A Member:** Hear, hear.) Therefore, I think in just one read, Members can ... It is a very complex issue, and I cannot pretend to understand all of the detailed intricacies in the way Deputy Le Lièvre does, but when you read the policy letter it does give you confidence that the matters have been looked at very thoroughly and the proposals are explained very well.

2565 I wish it was more generous. I said that when we were debating Deputy Dorey's amendment, but then I voted for the 2012 proposals (*Interjection*) which did not get through the States. Deputy Jones did as well. In fact, we were quite close to getting them through the States, but they failed. The point on that is that one has to compromise to get reform through the States and to make progress. If there is not a compromise between those who broadly-speaking may be more left-leaning and those who are more right-leaning on these sorts of issues, then it is not going to be possible to get anything through the States. So my view of it – and I suppose this picks up where we left off with Deputy Dorey's amendment – is do not imagine that it is this package or a more generous package, it is this package or no package at all, and it is partly for that reason that I support these proposals, which I think do fulfil the social and fiscal policies of the States – and that was the remit that the Committee was given and I think they have carried that out very well.

2570 One of the big advantages, I think – and this ought not to be overlooked – is that we are not talking just about cash benefits; we are talking also about entitlements to services, and I am very much in favour of this. I think that, generally speaking, the support that is offered by the state, broadly, is better if it is offered in the form of services and entitlements than in the form of cash. I think it is more likely to achieve social policy objectives. Now, that is not really a very popular view. It is slightly contrary to, I think, the zeitgeist, if that is the right word. It is a slightly old-fashioned view, but I think that is the best way of directing assistance to the people who need it most. I think the proposals in this Report with regard to access to legal aid, access to the winter fuel allowance, and in particular access to medical and paramedical costs (**A Member:** Hear, hear.) are very significant. There are many hundreds of people who will benefit from entitlement to these services who are not entitled to them now, and that is one of the major benefits of merging the rent rebate scheme and the supplementary benefit scheme in the way that is proposed.

2585 Deputy Langlois said that he hoped that somebody would take his place and Deputy Le Lièvre's place in the queue in the next term of the States. I suppose my only regret today is that Deputy Le Lièvre is not standing at the election (*Interjections*) and will not be in a position, were he to be elected, to lead the implementation of these proposals, because I think he is far and away the best person to do that. (**Several Members:** Hear, hear.) And his commitment and his

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energy and, unusually for Deputy Le Lièvre, his patience (*Laughter*) in working with this Committee has been very considerable.

2595 I had a small hand in the construction (*Interjections and laughter*) of this Committee, but then when the Members were elected to it, I feared the worst, quite honestly, because they have completely different views on these sorts of issues. I mean Deputy Perrot, I think, actually stood in the States and said, 'I am not terribly enthusiastic about joining this Committee, but I suppose someone has to do it.' (*Laughter*) But he did not want to! (*Interjections*) Someone had to do it from the Treasury! But seven Members, with quite disparate views when they started, have come together and have produced a very sensible and measured set of proposals, and as I understand it
2600 they are unanimous in putting them to the States. I think that is quite an achievement and that is down to a lot of hard work by the Members of the Committee and the staff, but in particular it is down to Deputy Le Lièvre's leadership, and I would like to commend him for that.

2605 I think that the proposals are good for the States because this has been an intractable problem in recent years, that we have failed in previous attempts to merge these two benefit schemes together. It is good, I think, for the Island because although there are some people who will benefit and some people who will be worse off, overall it is a fairer package than the two separate packages which it is proposing to replace. I think it is a good thing for social policy progress.

2610 Finally, sir, I just want to say I hope that the States will support these proposals, if not unanimously, then almost unanimously. I think that it is an exceptionally good piece of work and I commend the Committee and in particular Deputy Le Lièvre.

Thank you, sir.

The Bailiff: Deputy Green.

2615 **Deputy Green:** Sir, thank you.

2620 First of all, I should declare an interest. In light of the comments that appear in the policy letter, page 1958, in the section under 'Access to Legal Aid', I think it is appropriate that I should declare an interest in terms of, if these proposals are passed, there will be a larger eligibility for legal aid, and I declare that as a potential special interest as a part-time advocate who does practise some legal aid.

2625 Turning to the substantive matter, sir, I can see very clearly the consensus direction in terms of where this is heading. As Deputy Fallaize said a moment ago, clearly a compromise has been reached, and to make it absolutely clear I will support these Propositions in their entirety, but I still think it is necessary to put on record a few points that I will come to in a moment.

2630 I certainly agree with the essential philosophy behind these proposals; the amalgamation of rent rebate with the supplementary benefit system is undoubtedly necessary. The overarching rationale or *raison d'être* for these proposals is a sound one and, as others have said, this is the third time in four years the States has been confronted with a States' report on this, and clearly we need to have a resolution of these issues and to put this to bed. But I do have some specific concerns that I would like to record for the record.

First of all, I am not entirely happy with the definition of 'poverty' that has been used to underpin these proposals. A definition that refers to:

'the income of an individual below which Guernsey as a society (represented by the States) considers it to be intolerable for that individual to be expected to live.'

2635 I am not sure at all, sir, that that is the correct approach. I am not sure that that is right in principle. It is inconsistent with the poverty measurement that the States approved in January, only a few months ago, after debating the Policy Council's report on that subject.

I entirely take the point, sir, that the starting point for the new rates for supplementary benefit was based on the so-called Minimum Income Standards figure ('MIS') but they do, in the final analysis, appear to have been pared back to something of a minimum. For myself, sir, I would have preferred the Committee to have utilised either the 60% of median household income metric

2640 that was, in fact, adopted in 2013 report from Social Security, or the multidimensional indicator that was approved by the States only a few months ago.

Turning to the question of the transitional arrangements – and I heard what the Housing Minister said a moment ago about those – I would like to record that I would question the length of the transitional arrangements. A three-year transition seems to be a bit on the short side. I understand entirely why the compromise has been reached. It is for financial purposes. It is for sustainability. But I think, bearing in mind the 2013 report did specify a five-year transition, I am not sure that the rationale is entirely made out in terms of why it should be three years, particularly when – others have mentioned at page 1961 – we know that 739 claimants will be adversely effected by these changes to some degree.

2650 The moral point, sir, is that it was the States which allowed two separate benefit systems, in effect, to operate: supplementary benefit and the kind of shadow benefit system with the housing rent rebate system. It was the States that did that. It was not, in any way, the fault of the claimants themselves within the system, and I would have preferred a five-year transition period. But I am not going to dwell on that anymore. The decision has been made; I understand it is a compromise and I will go along with it.

The third and final point, sir, is: I do think it is just worth saying a few things about the actual proposed rates. Clearly, the amendment that Deputy Dorey moved has been unsuccessful, but I do think the cuts – that is what they are – in short-term rates will be hurtful to some people. The long-term rates, of course, are not being reduced and I do welcome, very much, the increases. But, as somebody who is the political representative for Ageing Well in the Bailiwick, the question does remain whether the new long-term benefit rates are actually sufficient to allow, for example, older people in particular, on low incomes, to live a dignified life in retirement. Taking the Committee's definition of poverty, since they are set at a level that is supposed to be scarcely tolerable, I think you can question that.

2665 But, sir, put those concerns on record. I am going to be voting for the Propositions but I just wanted to air some of those concerns. I can see why a compromise has been reached. I do commend Deputy Le Lièvre and the other Members of the Committee, because these ... As Deputy Le Clerc said, 'It is a very complicated area.' I was lucky enough to parachute out of Social Security in 2014, so I have the utmost respect for the Members – *(Interjection and laughter)* I have the utmost respect for the Members on the Committee because it was a very difficult hand that they were given and I think they have probably done as best as they could in the circumstances.

So I will be supporting the Propositions.

2675 **The Bailiff:** Deputy Hadley has been waiting a while, as has Deputy Lester Queripel and Deputy Soulsby.
Deputy Hadley.

2680 **Deputy Hadley:** Mr Bailiff, as a Member of the Committee since inception, along with Deputy Le Pelley, we have ensured that details of the work being undertaken by SWBIC were relayed to Housing so there were no surprises along the way. This arrangement worked both ways, allowing us to convey Housing's concerns and suggestions to SWBIC.

2685 Although the proposals before you today have the support of the entire Committee, that is not to say there have not been disagreements along the way, and that is how it should be, both as individuals and as representatives of their respective Departments, SWBIC Members have argued for and against different elements of the redesigned welfare system and, in the process, healthy compromises have been reached. The system, if you like, has been stress-tested and it has passed the test.

2690 Like my Minister, Deputy Jones, there are certain aspects of the proposed Income Support Scheme that I do find regrettable, chiefly the fact that a minority of social housing tenants will lose out and, like Deputy Green and Deputy Le Pelley, I too pressed for a longer transition period, nevertheless, the three-year transition period will help to some extent. But let us not forget that if

these changes are implemented an extra £3.25 million will be paid into the Island's welfare system, primarily to social housing tenants. Yes, not every low income household will have extra money in their pockets, but most of them will.

2695 I thank Members of the Committee for having the courage to carry out a review of welfare provision and conclude that more help needs to be given, not less. In an age where, if we look to the UK at least, the credo seems to be, 'Give the poorest even less', this is a bold and progressive move and one which reminds us all that SWBIC was never just about turning two systems into one; it was about understanding how much Islanders need to achieve a minimum standard of living. That is not to say these proposals are perfect. As I said, everyone on the Committee had to make compromises. I am personally disappointed that no attempt has been made to remove the benefit limitation, which puts a cap on the amount of money Income Support claimants can receive. While I can understand why some would think that the cap prevents unscrupulous landlords putting up their rents in the expectation that the state will pay or discourages parents in receipt of benefit from having more children, what it really does is deprive larger families in the private rented sector, particularly families with older children, from receiving the financial support that they require. On the one hand the State says, 'You need this much to live on' while on the other hand it says, 'You cannot have it.' I very much hope that in the next States' term, the Committee for Employment & Social Security unveils plans to scrap the benefit limitation or, at the very least, to raise it, but that is for the future.

2705 Today, the States has an opportunity to vote in a new benefit system that will direct health where it is most needed, treating all low income households equally, regardless of whether they live in social housing or not.

2710 I am proud of what SWBIC has achieved, although I would have liked more help in the private rented sector. If today's proposals are agreed, we can use the new Income Support scheme as a stepping stone to a more inclusive supportive welfare system; one which ensures that everyone can enjoy a decent standard of living.

The Bailiff: Deputy Lester Queripel.

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Deputy Lester Queripel: Thank you, sir.

2725 I would just like to expand on the points I made in my speech on the sursis. But before I do, during that debate, Deputy Dave Jones unjustifiably accused me of trying to discredit Deputy Le Lièvre. It is a shame he is out of the Chamber at the moment. So to avoid any doubt and wrongful accusations being levelled at me whilst I am making this speech, I will just repeat what I said at the end of my speech on the sursis. What I said was that, 'I have nothing but admiration for all the efforts made by my colleagues on SWBIC and all the staff involved and I suspect that even they wish they would have had more time.'

2730 Just to clarify, sir, what I meant when I referred to being 'bullied', I should have said that at no time have I been bullied by any of my colleagues on SWBIC or any members of staff. I apologise for not making that clear.

2735 I would also like to expand on my admiration for my colleagues on SWBIC because this was a major piece of work and they have all been totally committed to this for two years now and they have done their best to get all these proposals right, but as we know some of my colleagues did not think they were right, because amendments have been laid: two amendments by Deputies Wilkie, Green and Dorey, to address what they saw as shortcomings and a sursis, of course, was laid by Deputy De Lisle and Deputy Paint, because they have real concerns about these proposals.

2740 I want to focus for a moment on the issue of time, because dozens of social housing tenants have told me that they feel that nowhere near enough time was allowed to inform them of these proposals, and also that nowhere near enough time was allowed for them to engage in the whole process. They told me they received one single letter explaining that several of them would be expected to pay full rent should these proposals be passed and eventually funded. Many of them have told me that the shock and stress and trauma and uncertainty could have all been avoided, if

2745 they have received that letter so much earlier than they actually did, also that if that letter had explained to them whether they would be worse off or better off. And every single one of them has said, 'This all seems to be being done in an awful rush.' So the levels of communication, the stress, the trauma, the uncertainty, they are all major issues that have been expressed to me personally by tenants.

2750 I just want to repeat – I am not criticising the staff at Housing or Social Security or my colleagues on the Committee. I have worked with staff at Social Security and Housing several times trying to resolve issues for Islanders and the staff have been absolutely superb. But, to me, the fact of the matter is that these proposals are not only being rushed through, but were being asked to consider them and vote on them during the course of an additional States' debate that has had to be arranged in an attempt to complete all the other States' business. As I said in my
2755 speech on the sursis, I think that is appalling Government. Something has to give and in my opinion these proposals should have been taken away and reviewed, which is why I supported the sursis. I did empathise with Deputy Le Lièvre at the SWBIC presentation at Beaucamps School, because even with a microphone in his hand, he simply could not be heard above the heckling and he had to just stand there and take it. But the truth is, things should never have been allowed
2760 to get to that stage in the first place. Why did they get to that stage? And the frustration expressed by States' tenants at that presentation was perfectly understandable, because not only did they feel that no one was listening to them, but that that presentation was the last opportunity they were going to have to make themselves heard. I believe I am right in saying, sir, and I stand to be corrected, that that was the third and last presentation of a series of three, and
2765 that one was held at seven o'clock at night and was attended by about 50 people. I was one of them.

The other two presentations had been held, I think, at two o'clock in the afternoon and five o'clock and hardly anyone attended those presentations, which surely is hardly surprising, because many of those tenants would have been at work and many parents and grandparents would have
2770 been on the three o'clock school run, and two hours later at five o'clock, well that is the time to start preparing to feed a hungry family. Dozens of tenants told me they would have happily attended another presentation, had it been held in the evening or even on a Saturday afternoon or a Sunday afternoon, as was the Personal Tax and Benefits presentation held on a Sunday afternoon, if my memory serves me correctly, and that was a full house. There was not an empty
2775 seat at Beaucamps School for that one.

Sir, 'Take the public with you on the journey' is the phrase that springs to my mind. Communicate and connect with them; explain to them and treat them in the manner which you, yourself, would like to be treated. Surely that is not too much to ask, sir? Do not leave them hanging in the air, in suspense and uncertainty; reeling in shock and traumatised by the news they
2780 received in one single letter. A lot more work could have been done on levels of communication. It seems to me that had the Committee been allowed the luxury of time, I am sure they would have ensured that those levels of communication and engagement would have been substantially improved.

One more point on the atmosphere and the environment at Beaucamps, several tenants there
2785 felt so disillusioned, they were shouting out things like, 'You are robbing Peter to pay Paul', 'You Deputies never listen' and 'Are you trying to force us out of our homes and leave Guernsey altogether, because that is what it seems like?' It was extremely sad to see and hear all of that going on, sir.

To move on to my other concerns: on page 1961, as I said in my speech this morning, we are
2790 told that 739 of our fellow Islanders will be worse off if these proposals end up being funded, and I am not at all comfortable with that.

We are told the intention is to make things fairer for private sector tenants. Yet, we are being asked to agree to proposals that disadvantage 268 of them. That makes no sense at all to me, sir.

2795 We are told in paragraph 191 that more staff will be needed to administer this scheme, at a time when the public are crying out for a reduction in civil servants, not an increase. So that makes no sense at all.

To focus on the costs once more, over £3 million for the first two years; just under £3 million ever year after that, at a time when taxpayers are asking us, the States, to stop spending.

2800 We always say in this Chamber, 'We need to be fully informed' and, as I said this morning, I do not feel fully informed. I am not going to pretend I do, because that would be extremely irresponsible. What I do feel is pressurised. I am being pressurised into rushing these proposals through and the way I see it, being rushed and pressurised as well as being uninformed is a terrible place to be, especially when you are being asked to make a decision that will affect the future of so many of your fellow Islanders. And anyway, what is the rush? No one has really explained that to me, sir, and perhaps Deputy Le Lièvre could explain that to me when he responds. What is the rush?

2805 To give an example of why I do not feel informed, if Members look at paragraph 185, they will see we are told:

'...in some cases the availability of medical cover and winter fuel allowance will be of more value to the individual than the reduction in cash benefit.'

2810 Well, it is a bit too vague for me, sir. That instead of seeing 'some cases' I need to see the percentage, and we are not told that. 'Some cases' could be 50, 60 out of the 750 and they will only benefit from medical cover if they have a history of ill-health. With regard to the fuel allowance, well even though the current fuel allowance is £27.66 a week in the winter, that does not mean they will get the full allowance. They might only get £5, £10, £15 of that allowance. Even if they did get the full allowance, that will only come to £720 over a six-month period which is the coldest time of the year. What about people with health problems who are cold all year round? How are they going to manage? Perhaps Deputy Le Lièvre could – I will give way to Deputy Le Lièvre, sir.

2820 **The Bailiff:** Deputy Le Lièvre.

Deputy Le Lièvre: The report actually makes plain that by way of an experiment, if you like, SWBIC is proposing that an extra needs allowance is inserted into the benefit system for the very people who have heating costs or laundry costs or dietary costs. That is a new allowance which has been actually inserted into the system at a low rate to start with, by way of an experiment, to see just what the demand and what the cost will be. That will be payable with those special needs.

Deputy Lester Queripel: Sir, I thank Deputy Le Lièvre for that.

2830 I just wonder how they can be considered to be worse off anyway, if we are then told that the availability of health cover and fuel allowance will be more value to them? I hope the point Deputy Le Lièvre has just relayed to me is going to cover those in that situation, sir, because it sounds as though for six months of the year they will be fine, but for the other six months they will be struggling. But, I take comfort from what Deputy Le Lièvre has just told me.

2835 Sir, to conclude, I do not feel fully informed. I feel a lot more work needed to be done. I am not at all comfortable about rendering 739 of my fellow Islanders worse off. The levels of communication across the whole States needs to be improved, let alone this one issue. I am not in favour of employing any more staff at taxpayers' expense. I am not in favour of incurring any more costs at taxpayers' expense and I feel as though I am being rushed and pressurised into making a decision. Members may laugh, sir, but that is the way I feel. That is my genuine concern.

2840 So, sir, I am going to reject these proposals. I will finish by explaining that in the last four weeks, I have been contacted by seven tenants who have been severely traumatised because they simply did not know if they would be worse off or better off. I have suggested every one of those tenants either contact Social Security or Deputy Le Lièvre or Deputy Le Clerc. I have no idea how

2845 many of them have contacted Social Security in total, but what I do know is that Deputy Le Lièvre and Deputy Le Clerc visit tenants in their homes to explain to them whether they will worse off or better off and I applaud the two of them for doing that. (**Several Members:** Hear, hear.) It is a great shame that they and the other Members of the Committee did not have more time to undertake those visits to the homes of tenants. It is great shame that there was not more time for more presentations to be staged and more questions to be answered.

2850 In closing, sir, to echo the sentiments of many of my colleagues, I ask Deputy Le Lièvre to reconsider his decision not to stand in the election.

Thank you, sir.

The Bailiff: Deputy Soulsby.

2855 **Deputy Soulsby:** Sir, Deputy Lester Queripel aside, we have heard a lot of compliments flying around this room this afternoon –

2860 **Deputy Lester Queripel:** Sir, point of correction. Deputy Soulsby said, ‘Deputy Lester Queripel aside, there has been a lot of compliments.’ I have just complimented the Committee. I have just complimented the staff, sir. I do not know how much more I can do.

Thank you, sir.

2865 **Deputy Soulsby:** I think I am right in saying that Deputy Lester Queripel said he could not support any proposals in the report and, if he had listened to what I was actually going to say, I say that there are a lot of compliments flying around about this report. I am afraid I am going to have to add to that, because I think that is an excellent report. It is well-balanced and I think fair, which I think reflects the diverse make-up of that Committee – and I mean that in a good way.

2870 I would just like to comment on one aspect of the report and that is in relation to the implications of moving people from rent rebate to supplementary benefit. In page 1957, paragraph 161, it states that:

‘The proposed unification of the system will potentially bring an additional 930 households comprising 2,275 individuals into the scope of free medical and paramedical cover.’

2875 Now, I do not want Members to think I believe that wrong, quite the contrary. The report by CICRA on the Primary Healthcare Market, published a year ago stated that, ‘50% of respondents to their consultation had been put off going to the GP because of the cost.’ We do not want that. All that means is people are not treated in time, which in the end can result in more serious long-term conditions and proportionately more expensive treatments. However, I think it is important that Members are made aware the impact that this might have on health services, at least in the short-term, before things settle down as we see increased demand arising from referrals from GPs. We do not know the impact at this stage, but it is not rocket science: it will result in greater demand.

2880 Now, I had drafted an amendment in this area but decided, after discussing with Deputy Le Lièvre, that it was sufficient that I just make the comments know for the record. However, I do believe that the future Committee for Health & Social Care with Employment & Social Security will need to keep this under review, possibly at the same time as addressing the recommendations to the CICRA report in relation to charges for GP consultations in general. Having said that, it makes complete sense to me, merging rent rebates into supplementary benefit. It results in greater transparency and that has to be a good thing.

2885 Finally, I would say well done to SWBIC and hope everyone supports these proposals.

The Bailiff: Deputy Dorey.

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Deputy Dorey: Thank you, Mr Bailiff.

I also congratulate SWBIC. It was never acceptable to have two benefit systems, one more generous than the other; the more generous one being the rent rebate system.

2895 There is always going to be some people who are going to be worse off, if we were going to merge the systems and not move up to the higher levels of the rent rebate system. In 2012, we identified 233 who were going to be worse off: social housing tenants. This report has identified – because the benefits are not so high – 471 who would be worse off. But I did not ever expect the merging of two systems to result in people who were claiming on the less generous system to be worse off and it identifies 268 people who are on supplementary benefit in the private sector who
2900 will be worse off. As I have said before, I did not think that was an acceptable outcome, but I accept it is a package and I will speak more about that at the end of my speech.

I am pleased that they have used the basket of goods to set the benefit levels. I think that has come out of the MIS study and that was the best way of trying to find out what are the correct benefit levels. I am concerned that what goes into that basket of goods has been set by
2905 politicians. I think the MIS methodology was that had to be by independent people and I think going forward that is the only fair and acceptable way to come up with a study. I think once you have that basket of goods, then the politician can decide whether they want to take the full basket of goods or not, but I think it should be done by an independent group not by politicians.

In the 2012 report, a significant section was titled, 'Put Work First'. Those proposals, as Deputy
2910 Langlois said in the uprating debate in October, have resulted, for the first time, in fewer people claiming supplementary benefit and less cost in supplementary benefit. I am pleased those have been successful, because that was a key part of those proposals.

Going back and carrying on with the theme of 2012 report, one of the key changes from 2012 to now is the benefit limitation which Deputy Hadley referred to. Then it was £450, now it is £609,
2915 but it was through the analysis of the data that identified significant numbers of people who would be new supplementary benefit claimants because of the removal of benefit limitation, as proposed in 2012. As the benefit limitation has risen, those people have not claimed, as was then predicted by the data, and that is one of the big differences in the predicted cost and the lack of this massive variants between the costs as they were identified in 2012.

2920 I will support the proposals, but I do have serious reservations about the short-term rates. I feel that we, in this Assembly, are here to protect the weakest in our society, those without a voice, and I feel that those are some of the 268 who will be worse off, who are claiming supplementary benefit, and it is not right that this has resulted in that. But I do look at the overall package and accept that it is a good piece of work and they found a way of combining the two. I just hope that
2925 we find the money to finance it in future, because that is key. We can make a decision today but, unless that £3.5 million is found, we cannot do it and I think it is just not acceptable to have these two benefit systems for any longer.

With that, I will be voting for them, but with those reservations.

Thank you.

2930

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, I could talk for hours on SWBIC, as I did in the Committee, but leaving that aside, I think Deputy Dorey is quite right, you have to look at it as a package.

2935 I was in the curious position on the Committee in that I was not a full member in some respects, because not only did I join after it had stated, but I was not there as an individual elected by the representatives in the States, unlike, say, Deputy Gillson or Deputy Le Lièvre . I was a delegate, in a way, from Social Security. I felt it was my duty to represent what I thought was not only what the majority of the board of Social Security wanted, but the Department as a whole, and we do owe a debt of gratitude to some senior officers from both Housing and Social Security who
2940 constructed this States' report and I think are responsible for it being relatively clear and well-written. The problem I had with SWBIC was, I, all the time, wanted a larger cash envelope. I wanted to spend, spend, spend, more, more, more, and I regretted the halcyon days just four years ago

2945 when we lost by just one or two votes that possibility of inputting £8 million, maybe, £20 million into the system. Now alright, £20 million was unachievable, but that was the way in which the States at the time appeared to be thinking, including Members of the Social Security Department led by Deputy Dorey.

2950 Then, when we came back, when Deputy Langlois and our united board, put forward a set of Propositions in 2013, we had push-back from Housing at the time, amongst others, who appeared to want to spend more money. Now, I remember the words of the Minister at the time. He now realises we have done the job. He was right, we took a bit longer than initially predicted, but he did suggest that, by the time we came back, having studied the issues in great depth, we would probably come back with a lower sum of money, and in a way, we have done just that. True, we have approved the Wilkie amendment, but nevertheless the envelope has got smaller, which only goes to show that, if you are radical and you reject something, you have to be careful what you wish for.

2960 I think we have made great progress here, which is why I can support all of the Propositions. Members may have noticed, I was sympathetic to the Dorey/Green amendment earlier, because I think the next Assembly will have to review aspects of the package and how far it fits in with the multi-dimensional indices on social property, because in a way when we sat on SWBIC it was slightly frustrating that out of the blue the Policy Council came up with an important piece of work about measuring poverty, when we were doing almost parallel workstreams. We overcame that and I think where we have landed is a good place.

2965 I think I found a lot of job within this, really. After all, we have an extra needs allowance on the table, maybe up to £20 a week for people who need that bit extra that Deputy Lester Queripel and others have verified. We have dealt with the anomaly of, perhaps, people having rather low rates to pay if they were non-householders, although perhaps, personally, I see £75 per week as on the high side for some families, in terms of the non-dependent adults. I think that we have skilfully revised supplementary benefit legislation and we found ways of harmonising the system with a useful transitional period.

2970 One of the difficulties, if you like, of being a member of the Social Security board is you have to learn a whole new set of quasi-legal, quasi-administrative jargon. I mean we have to become semi-experts in earnings disregard, requirement rates, capital allowances, minimum income amounts, minimum capital requirements and benefit limitations and so on. Those terms are difficult to understand.

2975 Some of the criticisms that we have had from Deputy Green and others were about the methodology we used. I really wanted to go back to Loughborough and the 60%. That was unachievable for many reasons.

2980 Firstly, I was a delegate at Social Security and Social Security realised that was unaffordable and unsustainable. The second point is it had of course been rebuffed in 2012. The third point was that we certainly would not be likely to get enough money from the States as a whole to possibly go down that route. There were some criticisms of the Loughborough method. I mean after all I was one of the people they asked and when asked what people would like, I said a full English breakfast as a minimum requirement! (*Laughter*)

2985 Indeed, Deputy Le Clerc laughs but she was one of the most stringent people on the committee who said, 'Perhaps people should not always buy new, and bags of sweets, when they could be saving their money a little bit more'. So the point is what is one person's expenditure is another person's luxury, and we have to bear that in mind.

2990 The work that we did was politically based, done by politicians and officers, it had to be scaled down financially and it had to look at real need and genuine expenses that families would have. We realised when we thought about it that although it would be very nice to keep very high short-term allowances – and I do hope they will increase over time – that the greater need was for people with disabilities or people who were long-term in jeopardy. In the short term, people can make do and mend and not necessarily replace household items; that is not possible in the long term.

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One correction I would like to make perhaps – was it Deputy Jones? – somebody said employment was the best route out of poverty; (**A Member:** Yes.) I would totally agree with that, with one reservation – people with disabilities might not be able to find that employment.

3000 My other point would be the report makes clear that many of the people we will support and already support are hardworking people – individuals, couples and families. The idea that everybody who would benefit from SWBIC is a person who requires welfare and does not do a job is a long way from the truth, and will become even more so now that we have on many occasions voted for the merger. Perhaps if I was starting from a clean sheet of paper in 2016, I would have perhaps gone down the route not of a merger but of a separate housing benefit that would have
3005 been implemented by a united Employment and Social Security board. But we did not know about the reshaping of Government entirely at that time, nor did we know about some of the communications which we encountered. There were one or two minor blips there, such as there were letters giving different times and different people, and that was a problem we could overcome.

3010 But the actual truth is, firstly, more people would be winners than losers; secondly, we are modernising capital allowances, earnings disregards and so on upwards. People who are currently on Social Security will benefit. People will have access to medical help and other benefits they do not currently get. Many people will find themselves in a better financial situation than currently. But look at it from a broader, more strategic point of view. I think I saw a headline on the
3015 television somewhere a few hours ago that the United Kingdom Chancellor is slashing £3½ billion from public expenditure.

In Guernsey terms, to put it very simplistically, that would be about £3½ million or £4 million. We are actually proposing not to cut £3½ million from the most needy and vulnerable; we are putting forward, when the money is there, to *increase* expenditure each year by £3½ million, but
3020 targeted at families and people in genuine need, rather than some of the people who we sometimes have judgements about.

But there will be a safety net for all. I do not think within the current financial context that Deputy St Pier and others have outlined, we could have done any better for an achievable package.

3025 Therefore I support all of it.

The Bailiff: Deputy Perrot.

Deputy Perrot: Sir, I must defend SWBIC against the assertion that somehow this has been
3030 rushed. It has not been rushed. But I suppose the proper question arising out of that assertion is if we had had more time within which to bring this to the States, let's say we had given ourselves another year or so, would we have come to any different conclusion?

I have asked myself that question and the answer as far as I am concerned is no. What we have had is a phenomenal amount of work to do in a fairly short time. I accept that, but that is not to
3035 say that the work is not quality. I also give due praise to the officers from both housing and Social Security who gave us such high quality information. So I do not think it is right at all that we were rushing it.

I also do not think it is right – as Deputy Lester Queripel was saying – that we have not been informing people. That, it seems to me, is grossly unfair.

3040 What happened was that there were a number of – I remember one afternoon a number of – back-to-back meetings chaired by Deputy Le Lièvre at Beau Séjour, so people could pick a time during the day when it was convenient to come in and then there was another meeting at Les Beaucamps – I have noticed that we have got to say 'Beau camp' now; maybe that is a curious Castel pronunciation, but I always called it '*Les Beaucamps*'.

3045 Not only did Deputy Le Lièvre make sure that he gave full and clear presentations, but he went out of his way – and if you had seen the email traffic coming from Deputy Le Lièvre – he was offering to anybody who cared to, to go and see that person in his or her house. I think is quite

3050 remarkable. (**A Member:** It is.) Certainly, I cannot remember being aware of that in any other consultative process – where the Chairman of a committee or a department is saying, ‘Look, if it is inconvenient for you to come along to one of our public meetings, I will come along and explain this to you in the comfort of your own home.’ It is quite remarkable what Deputy Le Lièvre was prepared to do.

3055 I suppose one of the reasons why it might be thought that this was rushed was because of course we are doing it on pretty well the last day of term, but we always knew that this Report would be coming back to the States within this session; that was always said. And I cannot remember when – I do not have a recollection of dates – but I do know that Deputy Le Lièvre at one stage came into the States and said, ‘I am awfully sorry, we have not done it by the time we thought we were going to do it, but we are going to do it for November 2015,’ and someone said, ‘Are you sure you are going to do it?’ He said, ‘Over my dead body will I go beyond November 3060 2015!’ Well, actually he is still surprisingly frisky and clearly not dead! (*Laughter*) But we have gone beyond November 2015 simply because there was that work to do. We wanted to be absolutely sure that the Report contained everything.

3065 Deputy Lester Queripel, in yet another criticism of this Report, says that he does not feel fully informed as a result of this Report. This Report is brim-full of information. I do not know what other information Deputies could reasonably require in order to make a considered judgement on our proposals. Certainly the work has been put into it.

3070 I think a couple of years ago we all agreed that I had the body of a young Greek God! (*Laughter*) But I mean look at me now; I am a spavined old horse as a result of all the work (*Laughter*) that had to be done in relation to SWBIC. So we have put the work in and I am very pleased to hear from some Members that those Members think that the Report is one of clarity and quality.

3075 If people, for example, at Les Beaucamps – (*Interjection*) No, it is not ‘Beau camp’, it is ‘Beaucamps’ – if they were unhappy and were saying things like, ‘Are you trying to force us out of your homes? Are you forcing us to leave Guernsey?’ – of course no one is trying to do that and it seems to me that if a Deputy is present at such a meeting and hears that sort of language, which is *clearly* wrong, then it is up to that Deputy to try to inform the person who is making that sort of comment as to where he or she has gone wrong.

A couple of other points. Deputy Green – what we know –

3080 **Deputy Lester Queripel:** I am not sure if this is a point of order or not, sir –

The Bailiff: Deputy Lester Queripel.

3085 **Deputy Perrot:** Oh I am sorry. Am I being asked to give way?

The Bailiff: He is saying it may be a point of order.

Deputy Lester Queripel: It may be a point of order. I am not sure.

3090 Just to inform Deputy Perrot I did actually speak to quite a few of those people who were present at that meeting at the Beaucamps, and I did my best to inform them that I did not think for a second that the States were trying to force people out of their homes. But I am afraid I did not have much of an influence and they left thinking that maybe they were going to have to leave Guernsey and maybe their future was elsewhere.

Thank you.

3095 **Deputy Perrot:** I am glad to hear that Deputy Queripel did try to correct misconceptions, so ‘whacko’ to that! (*Laughter*)

But as far as Deputy Green is concerned, we know because he has said it before in this Chamber that he does not like the idea of a definition of absolute poverty; he wants to adopt the

3100 EU convention whereby one refers to relative poverty. But as I have said before and I am going to say it again, lest anybody forget, that of course it is an absurd definition because it always ensures that people are kept in poverty, because if you say that relative poverty is 60% of the median income there will always be people who fall below that 60% of the median income, however wealthy that community might be.

3105 So I do not agree with him that we have used the wrong definition of poverty and I think it is right for us to start by saying, 'What do we regard as being an intolerable benchmark below which people should live?'

I have got no other comment. I think Deputy Le Lièvre was right that all that need be said really is said within the body of the Report. But I really did want to correct any misconception on the part of Members of the Assembly who were not on SWBIC that somehow we have rushed to judgement on this. We have not and I hope that the Report provides evidence that we have not done that at all.

The Bailiff: The Chief Minister.

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The Chief Minister (Deputy Le Tocq): Thank you, sir.

I do not want to correct Deputy Perrot. I know he is an inhabitant of the old 'paraesse' so perhaps that is how they pronounce it, but Beaucamps has been pronounced that way for some time now. A correct pronunciation of course is '*Lay Byoh cad*', (*Laughter*) but let's not go there!

3120 Sir, I must apologise to you and to the Members of the Assembly because the matter I am going to raise may well have been dealt with, but I have, unfortunately, been in and out of this Assembly during the debate on States matters so I might have missed it.

First of all, let me just say – and to echo what others have said – I do believe that this policy letter is comprehensive and fulsome and has dealt with everything that it planned to do so to begin with. I was certainly one of those who doubted that Deputy Le Lièvre's timeframe could be kept to and I have forgiven him completely for doing that, because I think what the committee has come back with and having spoken to members of that committee and, indeed, to those who will benefit from these proposals – and I am sure we all know people in that condition who for years have fallen between two stools – I think it will be excellent news. So I thank them for the way in which they have gone about their work and the way in which the committees work together to achieve this.

3125 Inevitably, there will be things that in the future will need further addressing and one of those issues is with regard to carers, because there are certain things here – and I have talked to Deputy Le Lièvre about this and I know that he is not fully able to answer, but perhaps he could just refer to it in his summing up ... because there are some unknowns here with regard to people who are reliant upon carers and their particular position were they not to be able to care for a certain period of time and what would happen. I know that it is to do with Social Security and really a matter for them to change some of the things in definitions that they have there, but that is something that is not fully covered here, but I believe will need to be addressed in the future.

3130 Sir, having said that, I will not say anything further except to congratulate the committee in coming forward with these Propositions, which is a massive step forward in our social welfare and I welcome them.

Thank you, sir.

3145 **The Bailiff:** Deputy Gillson.

Deputy Gillson: Sir, thank you.

I joined SWBIC ... I am not quite sure why I ended up joining SWBIC! (*Laughter*) I suspect I was out of the room and people just decided! (*Laughter*)

3150 I joined SWBIC knowing incredibly little about the benefits system and, compared to Deputy Le Lièvre, I still know relatively little! But one thing which really struck me was just how far more complicated all of the issues surrounding benefits systems are and so there is no easy fix to this.

It has been two years; it has been quite hard work. People have praised the staff already and I unreservedly do that. I think the staff worked incredibly hard. Some of the turnaround times we gave them to update the information, the tables we needed, was incredibly tight. So they are a first-class group of staff – a fantastic job.

3155 I think for the first time we have got a set of rates of which there is some logic to, other than they would set at about the same level as a manual worker in greenhouses was in 1971. There is a logic that future committees can look back on and you can either agree or disagree but can see there is a logic for how they are set and that is very good.

I echo what Deputy Perrot said about the problem with the MIS rate of setting 60% of poverty, because you will statistically always have people below a level when you set a percentage.

3160 I now want to address a couple of things that Deputy Lester Queripel said, because he pointed specifically to a clause and asked for more information. The clause was, 'However, some cases the availability of medical cover and winter allowance will be more valuable,' and he asked for numbers and percentages, and that he wants more information. Well, sometimes you cannot have the information because it is impossible. Unless someone can tell me how many people in a year are going to get flu or go to the doctor's with migraines or whatever ... the medical cover is about mainly GP visits. It is impossible to predict that with any level of accuracy. There are times when you cannot have information; it is not available and we just have to make decisions without the information or with the best information we have. What is in there is a realistic statement: for some they will benefit from medical cover.

3170 What concerns me is that, quite rightly, the starting point was we have got an unfair system or two systems which together are unfair because one is far more generous and the aim was to bring them together to create a system that was fairness. Again, Deputy Lester Queripel was asking for the complete impossible, because on the one hand he wants no more staff, on the other hand he does not want any more cost but he does not want anybody worse off. Well, you cannot bring a system together with nobody being worse off, but not increasing the costs of it. Frankly, if those are your parameters – saying we do not want to increase costs, we do not want anybody worse off, Government is at a standstill because Government is not going to make any decisions at all. What you are asking for, through the Chair, sir, is something that is completely impossible.

3175 I think it is a good Report. I think the staff have to take credit for writing it because certainly the politicians did not, and I hope Members will approve it. In a few years, it will need over time a little bit of refining because what we are putting there, I think, is a very good starting point. But refinement over the next few years may be needed – or *will* be needed, I think. But it is a good starting point. It is a lot better than we have got now, and I urge Members to support it.

Thank you.

3180 **Deputy Dorey:** A point of correction, sir.

3190 **The Bailiff:** Yes, Deputy Dorey.

Deputy Dorey: I think the previous speaker and an earlier speaker both said the MIS – 60%. The MIS study – Minimum Income Standards study – was completely different from the 60% of median household income. They are the two different ways of calculating benefits. You cannot combine them into one phrase as was done.

Thank you.

3200 **The Bailiff:** Deputy Lowe.

Deputy Lowe: Thank you, sir.

3205 I just wanted to add a couple of points. One of the main ones for me was to thank the staff publicly for the presentation that I attended with some of my colleagues on the States' house tenants, because they fronted that meeting, sir, on that evening and at times they did have to face quite a lot of abuse, which was a bit unfortunate. It was the frustration of the tenants that were there, but it was unfair possibly for the staff to be fronting that, but they did an incredible job and I would like to publicly thank them for that.

3210 But I could understand a lot of the frustration there from the States' house tenants, because for years the States have actually gone down the route of trying their utmost to get people off benefit, and yet by putting the two schemes together it now means that more people will be under benefit, although a lot of those were under rent rebate and it was trying to say, 'Well, that is already a benefit,' but because it was coming from Housing Department, they did not always manage to recognise it was a benefit. So they were quite upset, saying how two of them, husband and wife, were working and now they will be on benefit. They did not want that.

3215 So it was quite an interesting meeting to go to, to hear so many people saying, 'I do not want to be on benefit. Please do not do this to me. I do not want to be on benefit.' So there was a lot of frustration; there is no doubt about that. But Deputy Le Lièvre and his team must be congratulated. They have done a cracking job here.

3220 Also, going back to the rent rebate – how that is a benefit – it is a funny old world that we have got really, because some are benefits and some are allowances. Yet, if you have got Family Allowance it is still a benefit, isn't it? I mean you are being given money. If you get Duty Free Allowance you are still given money, if you have got tax allowance from Income Tax, it is still you are being given an allowance. So you could actually say well we are all on benefit to a certain extent because we are being given money. It is the difference between the wording of 'allowance' and 'benefit' which can be confusing. And rightly so, for all the very good reasons really.

3225 So I just wanted to not only thank Deputy Le Lièvre and his team, but also to thank the staff publicly for the way they handled that meeting through the frustrations of the tenants' – justified frustrations at times – that attended. (**A Member:** Hear, hear.)

Thank you, sir.

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The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, sir.

3235 I too, obviously, would like to thank Deputy Le Lièvre. It has of course been acknowledged that he will not be standing again, but I hope that perhaps the next committee will perhaps consider inviting him to join them as a non-States' member, (**A Member:** Hear, hear.) to help them implement this. That might be a very effective way of keeping his skills involved. I am sure he would be delighted to remain involved.

3240 I would also like to thank Deputy Perrot from my board for his involvement. I very much described him as the canary in the coal mine, (*Laughter*) as being the individual on our board who was best placed to keep us apprised of what was going on within SWBIC. He did not accept that description. He said that, in fact, he had suffered from Stockholm syndrome (*Laughter*) and gone over to the other side! But, no, in all seriousness, he performed that role with great care and diligence, and I think that is appreciated and respected by all Members of this Assembly.

3245 Sir, I mainly rise just to draw attention – because it has not yet been discussed at all during debate really – in terms of the financial implications and Treasury's letter of comment which begins on page 1969.

3250 I should perhaps just draw attention to the fact that Proposition 1 is of course to agree and then, very importantly, 'subject to funding being available from January 2017 or as soon as possible thereafter'.

On the middle of page 1969 in our letter of comment, we say, 'However, the Department must point out that funding £2.95 million of additional spending on an ongoing basis is simply not immediately deliverable within the current fiscal policies of the States. This of course has been

3255 recognised by the committee, but it is worth drawing attention to exactly what that means, because that is more a limitation driven by the constraint of no real terms growth in spending than it is in terms of the availability of revenue to fund this.

3260 Three million is roughly 0.75% of our overall Budget, so in terms of finding that additional revenue, that is probably not the biggest barrier. The biggest barrier here is the constraint in our real terms spending. We know that we are right hard up against the buffers and indeed, for very good reason, the States obviously agreed to make an exception for Health last year. (**Several Members:** Hear, hear.) This of course does not fall into that exception.

3265 We then go on to explain that there are three ways in which it could be funded by cutting all other Departments' spending by approximately 1½%. We do not consider that to be probably terribly attractive. To fund it from the reform dividends as a result of public service reform, again, our view on that is that may be viable but that programme is a long-term programme and indeed we would expect much of those savings to be recycled in other ways as well.

3270 Then of course there is the question of prioritisation as well, which is indeed how I think this will need to be funded. The finally of course we draw attention to the so-called fringe benefits which have been spoken of in debate – the Winter Fuel Allowance and legal aid and so on. Again, we urge that that is perhaps one of the areas that does need to be considered and looked at – accessibility to the Winter Fuel Allowance and legal aid – because again if we ensure that those are well-targeted that may well help us fund the rest of this package as well.

3275 So it is really just to draw attention to the fact that I think that it will be a real struggle to get close to funding this from January 2017 and, given the constraints of the fiscal rules, quite rightly. And funding it at any time or as soon as possible thereafter indeed will itself be a challenge. We should not ignore that. It is the reality that we live in. But of course again if the States do pass these Propositions, sir, and they become Resolutions, that will then become one of the priorities that we then need to manage – or those who succeed us in the next States will need to manage.

3280 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

3285 I endorse the Report entirely. I am glad that the temperate – or the more temperate – debate ... I think other than remarks regarding weening and self-inflicted poverty, we are moving away from the notion of the Victorian deserving and non-deserving poor.

3290 I just wanted to put the change in States' houses in context because the 1980's was the first time probably that the Housing Authority attempted to do something – a serious intervention with regard to tenants, which was to move to rents that were beginning to approach market values – all rents were being increased – and they moved to a principal wage earner regime, whereby if you were the tenant and you had a relative with you who was earning a great deal of money, they would become the principal wage earner and contributed to the rent. That was unpopular in its day. I say this because Deputy Lester Queripel referred to concern and disquiet with regard to tenants now.

3295 My recollection is in the 1980's and that first big intervention, if you like, the fallout was greater and the upset was considerable. Then when you move to my time on the Housing Department as a non-States' member, I think, in 2001, when we had to move people out of properties that were under occupying and also I think we arrived then at a joint salary of two people earning £20,000 and put them over the limit, then they had to move out. And issuing notices to quit was a very difficult time for the Housing Department and for the tenants. It is never easy to intervene, but Deputy Lowe has said it and others have said it: people have not really seen the rent rebate before as a benefit; it has been actually not very particularly well understood.

3300 But I was just standing to ... one thing concerned me. I mentioned language earlier and I was disappointed that we did not debate the Deputy Arrun Wilkie amendment because of a taboo. I do not think we should have acknowledged that taboo in that way. I felt that when the Report was published and a lobby group that have, obviously, a watching brief over the disabled members of

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our community raised opposition, I noticed the press release from SWBIC said that although they believed this group were better off, they did not want to resist the amendment because they did not want to create anxiety.

3310 Personally, I would have liked Deputy Le Lièvre and his board to have debated that amendment to bring out the issues for people with a disability. It should not be a no-go area for us. When the representative of the GDA was on the steps of the Court that evening reminding people who was on the committee, encouraging people, reminding people there was an election, it made me wince a little bit, because if we are talking about benefits and we are talking about homes and individuals, we need to understand what issues they have by debating rather than
3315 perhaps being a little bit timid at exploring each and every aspect. I think we could have spent some time debating what we all understand to be disability, and actually I think it would have been very useful; because we cannot, quite clearly – we have one word for it, but within a 'disability' there are many variables and I think it would have been useful to understand exactly the circumstances people were facing.

3320 Thank you, sir.

The Bailiff: There is no one else! Deputy Le Lièvre will reply. *(Laughter)*

Deputy Le Lièvre: Thank you, sir.

3325 I think that every speaker today has raised a nugget that needs commenting on. All of them, I think – even those people who have probably not supported the Report have raised issues which are worthy of comment in a positive way.

I am going to do this in order if at all possible. I might leave Deputy Lester Queripel to the end, depending on time, but certainly I will try to do it in order.

3330 Deputy Langlois raised the question of compromise – or not raised a question, he said it was compromise – and he is absolutely right! We all had to compromise on the committee and this Report is a compromise.

Deputy Gollop said he wanted to spend, spend, spend. I am not quite in that camp, but probably closer to it than other Members. But, nevertheless, we all had to compromise and this Report reflects that and it is the better for it. So thank you, Deputy Langlois, for bringing that out.

3335 Deputy Jones raised the question of the private rented sector and this is an issue that has cropped up in a number of speeches, in particular, Deputy Domaille's as well, and how the current system already deals with people in the private rented sector and so will the future system, but it does not deal with them as well as they might because of the current benefit limitation. That is a matter for the future.

3340 I said it in my opening speech that the benefit limitation is an issue that is going to have to be raised in the future and it is going to have to be raised in the future, and it is going to have to be released incrementally. Deputy Dorey raised it as well and since the 2012 report we have taken it from four hundred and, whatever it was, 450 to 609. It is the biggest leap ever and he is quite right – only a handful, less than a handful, of people have actually come in to benefit as a result of that massive increase because although they are out there, they are actually earning significantly above that in many instances. People in the private rented sector and the private rented sector itself are an issue.

3345 Deputy Paint raised it as well because he said, 'Well, are private landlords going to hike up their rents?' The answer to that is no, because we are introducing a system of standard rents based on the same on the same social housing rents that are applied to social housing tenants, and that is a good thing. That is a limit and you are going to find that some people in the private rented sector are going to have to make a decision: do they stay where they are and use some of their living expenses for paying their additional rent or do they actually go to Housing and say,
3350 'Look, I cannot afford to pay my rent. I need a three-bedroom or a four-bedroom property to house my family. I simply cannot afford to live in the private rented sector.'

I think that has come up in one form or another in a number of speeches. It certainly came up in the conversations that I had with Deputy Le Clerc and some of the social housing tenants who would dearly like to get out into the private rented sector but cannot afford to make the break from their current heavily subsidised housing rent. So it is a very good point and it is certainly an issue for the future.

Deputy Hunter Adam raised a number of points and he raised the one about people who are worse off. Yes, certainly some people will be worse off. I am going to talk about this in conjunction with the issue of transition.

And there are a number of issues here – a lot of people all raised that as well. There are a number of issues with transition. First of all, three years is enough, I can assure you. I do not know how many Members remember back in 2005, but in 2003 there was a Green Paper from Housing when Housing doubled its rents in one go; we had to introduce transition and transition was over three years and it worked. It worked. People complained bitterly about it but in three years you can have a significant change of circumstances: your spouse can go out and do a part-time job, you might change your job, you might have another child, a child might leave home etc. You might get a wage rise, you might be promoted. Three years provides people with a huge window of opportunity to change their circumstances. So, yes, people will be worse off, but three years does give you a chance to actually ease the pain.

Deputy Le Clerc said something that was very important – and again something that I sort of referred to in my opening speech: this is a step along the way. It is an important step along the way. It is not as big a step as I would have liked to take, but it is a step, it is the foundation for further refinement in the future. And there is an issue, and this will probably resonate – to use Deputy Queripel's favourite word – with Deputy Queripel, because there is a communications issue.

And it is not just by way of letter, it is a communications issue with regard to how people are treated when they attend States' offices of one form or another, it is how they might be spoken to over the phone, it is the way they might even be regarded by their own neighbours etc. There is a serious communications issue which is going to have to be tackled to improve the general view of people (a) on benefit and (b) people living in social housing. That is a key one for the future.

Deputy Paint raised the question of ... I think he mixed up the business of 25% and the current Supplementary Benefit scheme. Rent rebate uses a maximum of 25% but it goes down to 14% – the actual tariff goes down; it drops as far as 14% – but it is not to be confused with what Supplementary Benefit do. Supplementary Benefit are already required by law to pay the full net rent of a person's accommodation, whether they are in the private rented sector or in social housing.

In social housing, of course, the rent rebate scheme comes into play; in the private rented sector the benefit limitation is what actually limits what the landlord can have or leastways what the tenant ends up with, because they have to pay the landlord; they cannot say, 'Look, I am on benefit. I can only afford to pay you £200 of my £300 rent.' They have to pay the whole lot and they find the £100 from their living expenses. That will be tackled in future at some stage by increasing the benefit limitation, in particular for the mum and dad with two or three children who might be out there at the moment in private rented accommodation who are finding it a real struggle to pay their rent. But it will not be until that benefit limitation is edged up slightly.

Deputy Paint: Sir, just a point of order, if I can.

The Bailiff: Deputy Paint.

Deputy Paint: I was actually thinking about the opposite way that Deputy Le Lièvre has put it.

At the moment they are talking about building 400 houses at the Bridge, so if, let's say, 400 tenants of the private sector actually go into these things, the cost of the landlord ... it is a mark-up, yes? So if they know people are going to come into their properties they will not drop the

3410 price because they know the States will pay, if you can see what I mean. It is the other way around that I was looking at.

Deputy Le Lièvre: Yes, I can see that, but the current social housing rents are not private rents; there is no profit element and they are generally lower than those properties advertised in the Press. I would not think they will encourage private landlords to say, 'Oh, look, I must have a bit of social housing rent,' because they would be significantly lower than that. The rents they hope to achieve would be significantly higher than that.

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3420 But you did raise the question that you would not want to see this scheme interfere with the private rented sector, but of course there are probably 400 or 500 – I do not know the figure off the top of my head, but there are many hundreds of people already in the private rented sector whose rents are largely paid for through Social Security.

3425 So we already, if you like, interfere, but not so much as telling the landlords what they can and cannot pay, but actually leaving that with the tenant – leaving the tenant to decide whether they are getting a good deal or whether they should actually knock on Housing's door and say, 'Look, we need some affordable accommodation.'

3430 Quite clearly at the moment there is a lack of affordable accommodation in Guernsey which is causing people hardship within either the private rented sector and, in some cases, elsewhere. But certainly the current scheme does not interfere; it just provides people with the money to pay their private landlord.

3435 Deputy Fallaize –
3440 I will give way.

Deputy Lester Queripel: I thank Deputy Le Lièvre for giving way.

3445 I just ask him to elaborate please, I think he said there is definitely a communications issue, or I think he said the way the public are treated by staff needs to be improved. Is that what he actually said? I ask through the Chair? And if he did say that, what needs to be done, in his view, to address that issue?

Deputy Le Lièvre: Obviously we could refer to *Hansard*, but I do not think I used those actual words. But there is definitely ... between some tenants and some civil servants there are issues. There are bound to be. It is the way of the world and there has to be a degree of training in some instances, and that has been acknowledged by the administrator. Deputy Le Clerc went to see the administrator on that very specific point, okay.

3450 I have run a Department – that Department – and I know the strain these staff are under, but I also want even the most difficult members of the public to leave a States' Department with the belief they have been fairly dealt with. That has got to be your target, (**A Member:** Hear, hear.) and I know that is already the target within Social Security, but just occasionally a staff member possibly might be a little bit short or whatever, but there is definitely tension between social housing tenants and claimants of benefits and sometimes the way they are dealt with.

3455 I was going to say that Fallaize could not resist having another go at persuading me to change my mind with regard to standing. I am not going to, but he did make a very important point and that is the fact that the services provided by way of medical assistance in particular – access to medical services – is vital for some of these people; because at the moment they do not have the money and, what is more, a significant number of them have debt with a surgery and they do not want to go to the surgery because there is an expectation that they are going to pay in cash and they have not got the money.

That is something as a Government I do not think we should tolerate. (**A Member:** No.) I just think it is very important issue. Deputy Soulsby is correct: it will lead to extra demand on secondary care, secondary services. In a way I say 'good' because these people need access, but there are a lot of people outside of benefit who cannot afford it as well, and that is why some

3460 review of a scheme to provide support for those who find it difficult to pay for GP services should be considered, in my opinion.

Deputy Green was not happy with the definition of poverty. I actually cannot take credit for it – it came from another member of SWBIC – but in actual fact it works very well indeed. It works well even with the system we use to actually produce the baskets of goods. But the real reason it works very well is because the other side of the equation when Social Security, through the Income Support scheme, actually calculates the person's net income. It is the net income calculation that is key to providing people in work with benefit and plus the earnings disregards. So somebody earning £500 a week or £600 a week can be definitely entitled to benefit, not necessarily because of our intolerable definition of poverty, but because it ties up with the calculation side of how income is treated through the Income Support scheme.

3470 So yes, you might not be happy with it and I can think possibly the wording will upset some people, but it works extremely well with the baskets of goods and indeed the system for actually assessing benefit.

You commented that the rates had been paid back. No, they have not. These are the rates that came out of all the work we did and some were higher than expected and others were a disappointment to me, but you cannot say, 'Well, Deputy Le Lièvre is not very happy with that one. Give it another 10 quid.' It does not work like that. We had to go with what the machine turned out at the end.

3475 Deputy Green also mentioned the transitional arrangements. I think I have covered that. Three years, I think, will be sufficient because of the experience the States has already had.

You mentioned a dignified life in retirement and that is so important for people who are going to be on benefit for the rest of their life, which is partially why we introduced this extra needs as an experiment to gauge demand. I suspect there will be quite a demand for it and it will be looked at as an adjunct to some of the basic rates, but we will have to wait and see how that pans out. Certainly it was recognised that some people, because of their condition, because they might be slightly disabled as opposed to substantially disabled, they might have an extra need in a certain area. So it is an experiment. You will have to watch this space.

3485 Deputy Hadley raised the question of transition. He raised several key nuggets. He also raised the benefit limitation and the private rented sector. So he raised all those key areas that will have to be sorted out over the course of the next few years. I say 'sorted out' – they will have to be recognised as issues that remain to be sorted out. He also used those key words, 'the stepping stone'.

3490 Deputy Soulsby, as I already said, raised the implications of people attending the GP and the costs. I understand that some of the people we saw, it was really quite heart-breaking to see that they had not attended the doctor, they had not attended the dentist and you knew damn well they should have been – really should have been!

If Conseiller Chilcott was still around he would have kicked my backside from here to Sark – probably one of his expressions – if I could not have found a way to help them. And we have to do it, and this system will do it.

3500 Deputy Dorey raised a number of issues as well. The private rented sector, which we have looked at; and he raised the benefit limitation. I submitted a paper to SWBIC suggesting that the – actually it was drafted, it was never submitted – benefit limitation should have been raised to £725. Sorry, that was a lie. It was suggesting that what I call the benefit limitation should be a drop dead limit at £725 – no other bits and pieces added to it. But in actual fact if I had done that it would have been harder, it would have had a greater effect than the actual £609 benefit limitation we have got at the moment, above which Family Allowance is disregarded, you have got a higher requirement rate, the earnings disregards are disregarded as well and so you can raise it. If you have got a number of children and a husband and wife are earning, it does not take long to get to £740 to £750.

3510 So my proposal to call a drop dead benefit limitation would have actually made matters worse. That is why the committee has left it as it is at the moment. It is really a case of wait and see what

is going to happen in the future, can we edge it up? I suspect the next benefit uprating report from Social Security will probably talk about a figure of £625, and they might be tempted to push it as far as £640. I do not think it will have a halfpenny of difference because of the experiences we have had in the past.

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What *really* put the final nail in the coffin of the 2012 report was the removal, completely, of the benefit limitation because it produced this huge question mark as to how many people were waiting outside the front door, so as soon as you opened it, you would have been swamped in claims which would have made the whole system unaffordable. But that is why we have retained it for the time being, but it is an issue that we should be looking at.

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Deputy Perrot raised the question ... Well, no, he did not raise the question; he was very supportive and he did mention that I had visited people in their own home. Only *seven* tenants contacted me directly and I visited everyone. To answer a comment made by Deputy Queripel, if I had visited everyone, I calculated it would have taken me four years, and it would have been a full-time job, because I tended to spend too much time with them, because these people have real issues.

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The good thing is that *not one* of those tenants was a loser and every one of them expected to be. I am not going to go into details because this lady might ... She did actually give me permission to talk about her case. I am not going to, because I do not want other people to recognise her. But her circumstances were so complex, I had to sit with her for some time to actually calculate what her benefit entitlement was. But she was helped at the end. It involved people living in her house who were non-dependants: another non-dependant family living in her house and all sorts of other complicated areas. It is not surprising that people get worried and they cannot possibly do the calculation for themselves. It is hard enough for somebody with 30 years' experience. But they do get worried and I can understand why, but hopefully when the letters go out from Social Security, which they will do as soon as the States approves these... It might take some time but the intention is that every tenant will be notified of their current assessment as if it was happening today. Then hopefully, we will see a lot of reassurance to social housing tenants that life is going to get a little bit better for them, in many, many instances.

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And what we call 'a loser' in here could be somebody who does end up better off, either through, as Deputy Gillson made reference to, the granting of medical or indeed the additional fuel allowance. And, if you have got three children and they all catch colds and goodness knows what else and you do not go to the doctor at the same time, you are talking about three surgery visits. They will be so much better off because these children in many instances do not even get anywhere near a GP at the moment, so these are costs. They might be a loser in cash terms in relation to their rent rebate, but they will be winners in relation to fuel and the medical services that come along with their benefit.

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I should actually say I thank everybody for their praise that has been heaped upon me, quite incorrectly really. This is team effort, a real team effort. I am not going to praise any particular member of SWBIC because they have all contributed evenly, from different points of view. Deputy Le Clerc said it was 'like herding cats'. That is not quite fair, but it was difficult sometimes, especially when I am not exactly unbiased.

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Deputy Lowe commented on the frustration and I have already spoken about that. There is an enormous amount of frustration amongst tenants and beneficiaries. Beneficiaries of rent rebate do not want to be looked at as beneficiaries of benefit like income support, but they also do not like the way they are looked upon by other members of society. There is an enormous amount of work, communication and changing images, because we are talking about many, many hundreds of hard-working people who are on low wages. That is why this scheme is costing £3 million more. A million pounds of it might be medical and fuel, but the rest of it is going out in the form of cash benefits to people who do not receive them at the moment and these are, by and large, employed people who pay tax already.

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Now, Deputy Brehaut: yes, you made a good point about the language and taboo. The problem that SWBIC had with regard to Deputy Wilkie's amendment was that it was a highly

3565 technical issue and we discussed it twice at two special meetings. At the first meeting, it was decided, well maybe we will actually fight this amendment. At the second one, it was made clear to me that we would lose and we would lose because of the technical explanation I would have to give, above and beyond which I think to some extent SWBIC got it wrong a little bit. So there is no point in fighting if at the end of the day you are going to have to concede. But you are right about the taboo and the language. But I think at the end of the day disabled people have profited from it and good luck to them. (**A Member:** *Au voix!*)

3570 No, not quite yet. I am sorry; I am nearly there.

3575 I would like to thank Deputy St Pier for making it quite clear as to the situation that SWBIC is in relation to the funding of its proposals. We accept it. I would never, ever put SWBIC in front of anybody else and say, 'The money must come to us.' That would be quite improper, in my view. But I would not take it out of other committees; that is awful. I do not think the reformed dividend can afford it, so we have to rely on this Assembly or a future Assembly using the prioritisation to decide whether it is SWBIC or somewhere else. We cannot do anything else. Aside from the fact that Social Security can start to implement some of the less expensive issues already, it might choose to do it by way of its uprating report; it could take single elements out of SWBIC's proposals and insert them in to start things moving. That is the way I would see it. It could even talk about Housing changing the upper tariff slightly. That would be another way of doing it. So I do not think Social Security or the new Committee should sit on its hands in the event that the funding is not available. There are ways to get some of these things moving for the better, straightaway.

3580 I do not think I have answered hardly any of Deputy Queripel's queries. I do not think I would ever be able to. I am not going to be able to convince him. As Deputy Gillson pointed out, on the one hand he does not like people losing out, but he does not like spending the money either. And this was the conundrum that faced SWBIC: there were always going to be losers. And, with respect, so there should be. There are people living in the private rented sector who do not have the benefit of a rent rebate scheme, who struggle to get by, paying a rent way above the subsidised rents paid by social housing tenants, and they are already losers. They are losers especially when you compare them with those people in social rented accommodation.

3590 Yes, he was right, there was an awful meeting at Les Beaucamps. It was awful, but people do get frustrated; people do not understand. It is *very* difficult to explain a benefit calculation. So they are going to have to wait, but I think by the time Social Security has got its communication and Housing has got its communication hat on and tenants know exactly where they are going to be, then I think that level of concern will reduce.

3600 It only remains for me to thank everybody who has commented; to thank all those Members of SWBIC and indeed the staff – I shall not name them – but they know who they are. I think there was one amusing incident – I thought it was amusing – one of the ladies at Housing has developed an Excel spreadsheet that is equivalent to Social Security's computer system. Now, I do not know the cost of the system, but it was a lot. It certainly cost more than an Excel spreadsheet. But nevertheless, this spreadsheet can replicate *all* of the areas done by a supercomputer – but there we are. (*Interjection*)

3605 I just ask for a vote in favour of these proposals and thank everybody ever so much for the good natured deliberation. (*Applause*)

3610 **The Bailiff:** Hon. Members, the Propositions are on page 1971 and 1972 and I remind you that Proposition 1b. was amended by the insertion of additional wording as a result of the Deputy Wilkie/Deputy Green amendment.

Unless anybody requires a separate vote on any of the Propositions, I will put them all to you together. All Propositions together: those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

3615 We will rise now and resume at 9.30 a.m. when I believe we will be able take the Culture and
Leisure Department's report on L'Ancrese to be followed by the Commerce and Employment
Department's Report on –

3620 **Deputy Le Clerc:** Sir, could I ask, before we rise, if we are going to have an update from
Deputy Stewart regarding Condor? Because he said he would let us know. *(Interjections)* There is
nothing to say?

The Bailiff: Well, it is up to him. He can make a statement if he wants.

3625 **Deputy Stewart:** There is nothing more I can add to what I said at 2.30 p.m. at the moment.

The Bailiff: Fine. Thank you.

The Assembly adjourned at 5.42 p.m.