



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Thursday, 16th January 2020**

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**Law Officers**

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D. A. Tindall, B. L. Brehaut

**St Peter Port North**

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R. G. Prow, V. S. Oliver

**Representatives of the Island of Alderney**

Alderney Representatives S. Roberts and A. Snowdon

**The Clerk to the States of Deliberation**

Ms C. Foster (H.M. Deputy Greffier)

**Absent at the Evocation**

R. M. Titterington, Q.C. (H.M. Comptroller), Deputies M. J. Fallaize and S. T. Hansmann Rouxel  
(*relevé à 9h 52*), Deputy M. P. Leadbeater (*relevé à 10h 41*); Deputy R. H. Tooley (*absent de l'île*)

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# States of Deliberation

*The States met at 9.30 a.m. in the presence of  
His Excellency Vice-Admiral Sir Ian Corder, K.B.E., C.B.  
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The Deputy Greffier*

## EVOCATION

# Billet d'État I

## POLICY & RESOURCES COMMITTEE

### V. Review of the Fiscal Policy Framework and Fiscal Pressures – Debate continued – Propositions as amended carried

*Article V (as amended).*

*The States are asked to decide:*

*Whether, after consideration of the Policy Letter entitled 'The Review of the Fiscal Policy Framework and Fiscal Pressures', dated 25th November 2019, they are of the opinion:*

- 1. To adopt the Fiscal Policy Framework and its Principles as outlined in Section 5 of the Policy Letter, subject to the amendment of Principle 6 by addition of the following at the end: 'and 2% per year averaged over any 8 year period'.*
- 2. To direct the Policy & Resources Committee, in consultation with all States Members and further to public engagement, to conduct a review to ensure that Guernsey's tax base is capable of raising sufficient revenues to meet long-term government expenditure needs in a sustainable manner within the boundaries of the Fiscal Policy Framework.*
- 3. To agree that the review should be conducted in accordance with the Terms of Reference and methodology laid out in paragraphs 3.16 to 3.20 of the Policy Letter and be presented to the States for consideration by no later than June 2021.*

**The Deputy Greffier:** Article V, Policy & Resources Committee – the Review of the Fiscal Policy Framework and Fiscal Pressures. Continuation of debate.

5 **The Bailiff:** Deputy Roffey.

**Deputy Roffey:** Thank you, sir.

Yesterday afternoon a number of Members characterised this debate about being about what size of Government Guernsey wants to have and I agree with that. That certainly would

10 characterise the debate when the Report comes back in the summer of next year, flowing from these proposals.

Where perhaps I differ from some of those that spoke yesterday afternoon is that there almost seems to be a competition to say they wanted the smallest possible Government on offer – and I do not. I want a moderate-size Government. So I put this out now, any voters wanting a slash and burn approach to Government will, I am sure, have a multitude of candidates to choose from, but I will not be one of them.

I do not support large Government for a couple of reasons. First of all, philosophically, I do not really agree with large Government, even though some of my Scandinavian friends seem to be very happy with their lot, I have to say, and would not change it for the world. But more importantly I think the way our economy is structured that we have to stay a low tax jurisdiction in order to thrive. I do not think we have any choice, sir. We have to be competitive with other low tax jurisdictions.

But there needs to be some balance and small Government for the sake of it will tend to disadvantage the most vulnerable who will be left without support, and the poor who cannot afford to access private services that the Government chooses not to provide. It is the weaker and poorer who lose out in societies with very small governments.

Think who struggles to pay private GP bills or A&E fees now. Okay, it is not the real poorest, because we have a safety net in for them. Although, if we really went for small Government, that might disappear or be reduced. But it tends to be those at the bottom end of the income scale that struggle in societies with small governments, particularly when they are in communities with a very high cost base.

I think the reason for that is quite simple. The act of taxation and the provision of public services through Government revenues is, by definition, redistributive. I know States' Members always hate using that word for fear of being seen as lefties. It is an act of redistribution to tax people, as long as the taxes are in some way progressive rather than regressive, and to provide public services for the revenue gained.

If we are not redistributive in this Island, with its huge cost base, then ordinary working people will really struggle. So ordinary working people may be the first on voxpops in the street, to say no more taxes, let's cut Government to the bone, but actually that is the demographic that would lose out most if we really went for small Government.

So, for many reasons and disparate reasons, I favour neither big nor small Government but moderate Government – the size of Government, which allows us to remain competitive as a low tax jurisdiction while helping as many people as possible who genuinely need our help. I certainly support this policy letter. I definitely think we do need a fresh root and branch review of both sides of our balance sheet, even though it is not that many years, I know, since the last time we did it. I think that events have moved on apace since then and we really do need to do it again.

There are, undeniably, several areas of unmet vital spending. Several are set out in this policy letter, although, like Deputy Green and Deputy Ferbrache, I am not completely convinced about all of them and whether we should be meeting every one of those price tags, and I will come onto that in a minute.

That said, most of these vital developments definitely do need to be funded. Now, Deputy Green was right in theory that this can be done in several different ways. We can create new revenue streams, which is the thrust of the suggestion from P&R, in this policy letter, although I am not suggesting at this stage what they should be. We could maximise our existing revenue streams, which is preferred by Deputy Mark Dorey, because he believes that that would be a more cost-effective way to go. We could do what we do now more efficiently, in order to release funding, or we could re-prioritise and stop doing some of the things we do now altogether.

Or there is a fifth option. We could adopt the magic de Lisle formula of maximising services while minimising taxation. (*Laughter*) I hope he has got that formula under patent, because it is a real winner!

Being serious, I have a word of warning here. I know those are all options in theory, apart from the last one, and in election year, many people will be tempted to pledge that any new services, any new expenditure has to be funded through efficiency savings or cuts elsewhere. We all know the sort of cliché, 'read my lips, no new taxes'. It is a great soundbite but, frankly, I do not think it is realistic for the situation we face.

Why not? Because over the last 10 or 15 years, we have gone through the Financial Transformation Programme, where a lot of costs have been stripped out of what we do. More recently, we have had multiple programmes for making efficiencies and cuts inside Committees; and we all know, just doing what we have done up to now, how difficult Committees have found it to be to deliver on those savings.

We have had multiple external reviews by expert economists, who have actually commented on how remarkable it is the way that we have actually managed to constrain our expenditure over the last 10 or 12 years and of course there are more savings to be made. Things can always be done more efficiently. But let's not exaggerate. Let's be honest. The size of the new demands means that we are going to need more revenues.

Let's look at some of those demands. I am not going to go on about NICE drugs, because we are going to have a chance to talk about that in a minute. Health spending more generally, I think this Assembly was in denial over a number of years over where that was heading. Because everywhere in the western world, we have a combination of ageing populations plus, *thankfully*, new treatments and new ways of curing people and new equipment and new everything, which is great from the healthcare point of view, but is darn expensive from the revenue point of view, everywhere in the western world has been facing escalating health costs and we are no different and I think we had our heads in the sand for a while. I am glad that it is now coming out and we realise that there is going to be a significant increase in this area.

Where I am not so convinced is the price tag of £35 million to £40 million put in this policy letter for public sector reform. What they mean, I think, by that is not the head count that Deputy Ferbrache was talking about, although I am going to mention that in a minute, but more the equal pay of work for equal value.

Now, I am a supporter of equal pay for work of equal value and if, as an employer, we are paying some of our staff poorly compared with other staff who have the same job size, same level of responsibility, we have to do something about that. So if, for example, nurses are relatively poorly paid compared with clerical officers, or the reverse – I suspect it is the former but I have not seen the stats yet – if we are not paying fairly across our whole range of employees, we have to address that because that is not fair.

But does it have to be all levelling up? I am not suggesting it has to be levelling down but it should be levelling towards the centre. I tell you what, in the commercial world, that is just what you have to do. Twenty years ago, when I was on the board of the Channel Islands Co-op, okay, we only had 1,000-1,200 employees, not quite the size of the States, we decided, being a progressive organisation, that we were going to introduce equal pay for work of equal value.

We could not afford competitively to just put all our costs up by levelling up, so there were some really difficult decisions to make. We found that female supervisors were being paid less than male butchers despite the fact that actually independent job evaluations showed that it should have been the other way around. So we had to say, 'Sorry, we are over-paying our butchers and we are going to have to actually reduce the amount that we do that in future.' That is, if we take our responsibility to the taxpayers seriously, the sort of thing we have got to do.

By which, I do not mean saying, 'Sorry, Mr Le Page you are being paid this today and you are going to be paid 20% less tomorrow.' But certainly what you do is you do something called red-ringing. You actually protect, to a degree, the salaries of the people in the 'overpaid' jobs, but you give them smaller increases than the people in the lower paid jobs and so they converge. Any new appointments you make to the people in the 'overpaid' jobs are brought in, because they are new appointments, they are not going to have to be protected, and brought in at the appropriate rate.

It seems to me, I cannot see how we are going to get to £40 million, we cannot afford £40 million. We cannot just level everything up in this way. So I do think we need to look seriously at that.

115 In this policy letter there is no netting off against that extra cost of the work that Deputy Ferbrache was referring to yesterday, of stripping out a large number of employees from the public sector. I think, largely, the idea was by digitising public services you would reduce the number of people that needed to interact with the public and therefore reduce. So I do think that we need to take that into account and we certainly need to press on with that, not just to cut the  
120 cost of Government but actually to release the human capital to work in the private sector, because we have a very tight labour market and we should be using as little of that resource as we possibly can to allow the rest of it to be generating money.

This probably is not the place to discuss what new revenue sources should be favoured in depth because that is the next stage. That is what is going to happen if we approve this today, which I am sure we are going to. But as the policy letter does flag up some possibilities and as  
125 others have indulged in it, I cannot help giving it a bit of an initial view.

Starting with GST. I am profoundly opposed to GST, (**Two Members:** Hear, hear.) not just because of its regressive nature but because, in the world where Guernsey businesses are competing against online, it embeds an advantage to the off-Island competition – maybe not so  
130 much for services but for goods. It is no longer just big ticket items that people buy from outside. They shop. They go shopping – food, clothes, everything else online.

Now Guernsey firms start from the point of view of having high salaries, high occupation costs, high land costs and everything else, high rents. Either you are going to have to apply GST online, which is almost impossible. Jersey have not managed to do it, they brought down there *de*  
135 *minimis* to a degree, but it is just too administratively difficult to do it at a low level. And that low level online shopping is the new normal. Relatively modest amounts are being spent that would be exempt. So unless that can be tackled I have a real problem with it. Plus the fact that it is regressive.

Of course, as an absolute nuclear option, if we could not put police on our streets or could not  
140 put teachers in our classrooms or could not put nurses in our hospital wards, and if there were no other ways to tackle that and to raise money, then you would have to consider that sort of General Consumption Tax. But it is only under those circumstances I would do so and I do not believe that we have reached the point of no alternatives.

I tell you what though, if we did then I would go for a very high GST. I would go for 10%-plus, because the cost of administering it is pretty much the same whether it is at 5% or 10% and, as  
145 Deputy Dorey mentioned yesterday, the amount of amelioration we would need to do to offset the regressive impact, not just putting up benefits for people at the bottom but probably increasing tax allowances for the people that are sort of modestly towards the centre, and everything like that, would be massive. So it would be a money-go-round, we would have to  
150 reduce other taxes and I would really rather not go there.

Some of my colleagues have said that actually maybe we should look at wealth taxes. I have had conversations with them. I completely disagree with that. (**A Member:** Hear, hear.) I really do disagree with that because I think it penalises prudent behaviour. Let's take two people in  
155 Guernsey: A and B – I will not say whether they are Mr or Mrs or Ms or whatever they are. They both perhaps went into the finance sector in the mid-1980's when it was starting to boom; they have been quite big earners throughout their career; they have been taxed the same on their income because they have earned about the same amount.

But they live differently. One has really liked his [*inaudible*] and his exotic holidays and he is a big earner and he does not see why he should not play hard as well as work hard. (**Deputy Inder:**  
160 **Billy Billionaire.**) I did not quite catch that, but I am sure it was profound! (*Laughter and interjection*) The other one, who has earned exactly the same and will be taxed the same on their income, has actually said, 'I am going to put a lot of this money aside for my old age; I want to make sure that I build up an asset base. I do not want to be a burden on anybody else and

165 actually, yes, I want to leave something to the next generation.' It is not a sin to aspire towards that way. (**A Member:** Hear, hear.)

So we look at them and say, let's assess their wealth. Well that one has got little or nothing, so we will not tax them but this one has actually got quite a lot of accumulated wealth so let us get that. I think to actually send out that message is stimulating the wrong behaviour, that we do not particularly want to approve. So I am not in favour of wealth taxes.

170 Health tax is put forward in here but of course what on earth is a health tax? Presumably it is a tax to fund Health but it does not go any further than that. It sounds far more warm and cuddly than any of the other taxes we are talking about but is it based upon ability to pay, what sort of health tax? Are we talking about the Jersey health tax that got defeated by one vote, which was basically a supplementary Income Tax, as I seem to recall, which I have some sympathy, actually, with that approach. Or are we talking about something entirely different. I guess it is too early to say.

I am not opposed, like some others, to changing our Income Tax structure. The only problem is we have to be competitive and I think somebody mentioned yesterday trying to get the three Crown Dependencies to work together. That may be a Holy Grail but my experience is that, 180 instinctively, they are competitive with each other and, instinctively, it is a really difficult thing to do. The trouble is, unless you get that sort of co-operation, then as soon as somebody is perceived as becoming less competitive with their Income Tax structure, the other two are straight in there saying, 'Look at them, you are better off actually doing business here.'

185 But it is worth a try because, actually, in theory, if all three decided to go, not to 45% Income Tax, but 25% Income Tax above a certain level, and that was required in order to provide the basics of society, I am certainly philosophically opposed to that. I do not hold out too many hopes though of inter-jurisdictional co-operation on that side.

I hope there is going to be some liaison between this review, when it is set up later today, and the E&I review of climate change, because I do believe that the question of environmental taxes, 190 people say it is – what is the word they tend to use? – social engineering. Absolutely. We have got a society, we are going to engineer it to be better than it was before. What on earth is wrong with that? It is the job of Government, surely? So I think environmental taxes are something that is worth looking at.

The Achilles heel with environmental taxes is that the more successful they are, in changing 195 behaviour, which is presumably the motivation, the less efficient they are in raising the revenue that we need for all of the things listed in this policy letter. But nevertheless I think in the short to medium term it is something to look at.

I agree with Deputy Green, there needs to be probably almost a patchwork of some smaller contributions as well to fill in behind the big ideas. Who knows? We could decide that really high 200 value public land is not sensible to actually give to a small minority of the Island for their use free of charge all day long. I have got a selection here. The PP installation is probably not going to come up in this particular debate.

Suffice to say, sir, that I think a review is definitely required and everything must be on the table. Everything must be on the table even if they end up being dismissed. It does need an in- 205 depth investigation done at relative speed and that is exactly what is proposed here. Make no doubt about it, if they are going to do a root and branch review and report back by the summer of 2021 they are going to really need to get their skates on, because there is an election in between, it would need to be submitted two or three months before that actual debate. So I wish them luck.

210 That is what is proposed. It has my complete support. But that is the easy bit today. The difficult bit is going to be all of us trying to come to any kind of consensus about how to address these issues when this ends up coming back.

**The Bailiff:** Deputy Fallaize, do you wish to be relevéd?

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**Deputy Fallaize:** Yes please, sir. Thank you.

**The Bailiff:** Deputy Hansmann Rouxel, would you like to be relevéd?

220 **Deputy Hansmann Rouxel:** Yes, please, sir.

**The Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Thank you, sir.

225 In the last term, in my position as Deputy Treasury Minister, I sat for quite a long period of time on the Pensions and Benefits Review, which was an interesting experience. Now that did come up with a suite of options which would have provided solutions but what happened? When it came back to the States, there was neither the political will nor the courage to implement them. The can was kicked down the road and – guess what? – we found the can again today. The question is now will it be kicked down the road or will we actually do something, but what has  
230 happened now is we are in a very difficult position and we are stuck between a rock and a hard place.

I will mention one possible issue. It is the issue of something like territorial taxation, which people like the idea of. However, when we introduced Zero-10 what happened was we recovered, essentially, that revenue that was lost in other ways. One of them was increasing the cap on Social Security contributions from where it was, £40,000-odd, up to about £150,000. Increasing TRP by astronomical rates – in fact for the finance industry it was a tenfold-increase, 1,000%-odd, and I remember being told by the Treasury Department that we, essentially, had recovered all that revenue.  
235

240 So where does that put us? If we went down the road of territorial taxation and our competitors, let us just look at Jersey, did not, we would be so uncompetitive for a whole load of reasons. Now, I say that because, if I go back 12 years, when I was canvassing and I spent an hour with a real mover and shaker in the finance industry, who subsequently moved his whole operation to Jersey, he had a spreadsheet with everything you could imagine on it: Social Security contributions, the caps on it, personal taxation, cost of air travel, everything.  
245

Guernsey was half-way down this list, then, and there were a lot of other jurisdictions which were more attractive. So if we went down that route and said, 'Alright let's see if we can bring in territorial taxation,' what you would have to do then is I think reduce the Social Security cap way back to where it was. You would have to have another look at TRP, because compared with Jersey I believe our finance industry pays a lot more than they do there. It just shows what a problem that is.  
250

However, it could still be that overall even after you account for that there would still be a net surplus. But we will not know until we look at it again. In fact, I think the way to start this review is to dust off everything that was done in the last one and see if there is anything that has changed and some of those solutions may still be very valid.  
255

There was an interesting one, which I found quite inspiring, which was the idea of a 10-10-10 tax – 10% company tax, 10% Income Tax, 10% services tax or consumption tax. That, even after making adjustments, showed a net gain and what was interesting at the time was people, especially in certain industries, if they were faced with a consumption tax of 10% but knew they were only going to pay 10% Income Tax, they seemed quite happy about that. That also included allowances for upgrading benefits at the lower end to allow for the increase in prices that would materialise. There was a net benefit at the time but that disappeared.  
260

I have to mention a few points about capital. We fund most of our capital expenditure from general revenue. We put it in the Capital Reserve. This time we had about £40 million surplus on general revenue, which is going into Capital Reserve. Now that is our main problem – how do we fund capital?  
265

270 If we did not fund capital from general revenue, we would have quite a surplus and that would see us or tide us over for a number of years. Now, if I look at what has happened with the inter-connector overlay that Guernsey Electricity have done, that has actually been funded through a commercial loan but we guarantee it. So it really is a liability for us. However, it is a way of funding and it will be paid for eventually by you and me, paying through our electricity bill. There are lots of ways of funding capital. Our Bond money has been restricted by the fact that we are required to lend only on the basis of having an income stream, but you have got to think it is a bit woolly that, because we make loans to Aurigny – alright they pay the interest and the capital, but who gives them the money to pay that because they are not in profit? We do. So it is already being broken, that rule.

275 I remember going back even further, there was a move going back a couple of terms, of possibly having a bond without those restrictions and using it for things like building schools and whatever. But it did not succeed. I think Deputy Parkinson can quite remember that. But the issue of how we fund capital expenditure in the short to medium term has to be addressed. It does not necessarily have to be through general revenue transfers because I think we are in a very low-interest environment, which is likely to persist for quite a long time, so we have to look at that.

280 So at the end of the day it will be an interesting exercise and it is interesting that the decision will be made, I think, in the next term. But what we put forward will be carefully scrutinised by the electorate, which is great. Yesterday a couple of comments were made, which I found a bit nauseating. Somebody said, 'Oh yes, all so and so or that group has to do is pay a little bit extra.' There is nothing little about any of this. It is forever being used as a term on the radio, saying, 'Oh, if these people paid a little bit extra.' There is nothing little about this. It is big.

285 Where are we? We have got to remain competitive as a place to live. It is slowly getting to the point where the main advantage of being in Guernsey is it is a very safe environment from the point of view of personal security. But for the middle earners it is getting more and more expensive, if only because of the cost of all the peripherals. You pay to see the doctor, you pay for your rubbish, you pay quite a lot quite often to travel when you want to travel.

290 That is why I, there again, feel a little unnerved by these comparisons: 'We only collect 21% of GDP in taxes.' But you must not forget – and in the Report they mention charges once, and then later on they do not – if you are going to make comparisons with the UK and say property taxes, TRP, you have got to see what they get for their money.

295 Understandably, England pays quite a lot but it includes paying for the ambulance service, it includes paying for the fire service, the Police. It includes collection of their rubbish, it pays for recycling. What do we do? We pay TRP, we pay parish rates, we pay extra charges for... If you add all that together, suddenly we are not that much different from the UK, especially when you consider the TRP escalator that is in place.

300 So if you make comparisons with other jurisdictions you have got to count everything and, to me, charges which you and I have to pay, take what you pay to see the doctor, is our 21%, does that include what you take from the public in relation to that particular service? We know how much is paid every year to doctors because we pay whatever it is, £10 or £12, as a grant towards it. Is that included in the 21%? I doubt it.

305 So you must compare like with like, I have an issue with the way we measure GDP now. One of the things that is not mentioned in the little thing at the bottom of one of the pages is that they have this issue of what is called imputed rent. GDP is actually now measuring, essentially, the value of the whole built estate in the Island, in that what would be the notional rent if I rented my house, you rented yours and everything else? You do not pay any taxes on it. No money changes hands but it is regarded as part of our GDP. It is a wealth measurement, which goes back to what I said yesterday, GDP does not relate to our revenue.

310 Deputy Roffey said he does not want wealth taxes. Well, we have already got one, it is called TRP; if you think about it, that is a wealth tax. You own a property or, even with a mortgage, you are taxed on the fact that you own a property and that is a measure of one's wealth. We just call it

something else. We already have sales taxes, we just call them duties: petrol duty, tobacco duty. We have loads of duties. We already have selective consumption taxes.

320 So where do we go? I would love whoever the working party is to look at this 10-10-10 option again because at the time there were an awful lot of people, especially in the industry relating to the effects of these taxes that a 10% tax would be a great boost to our economy. Whether it would or not, you never know, but I think it is worth just a look. Do the sums again. If we had a 10% general consumption tax and a 10% on a territorial tax, call it that. I agree, we have to discuss  
325 this with Jersey but I think they are running a bit short as well, so they might be quite pleased if we did the same thing. Putting 1p on Income Tax, if we did it unilaterally, I think that would spook a lot of people and have a very big, negative impact on this Island, whether you like it or not.

I recall living through the late Dennis Healey's period in government in the UK. I referred to them as the Economic Vandal Party at the time. It was a long time ago. He introduced an Income  
330 Tax rate of 83% and if you were unfortunate enough to have savings you paid another 15%. You would pay 98% on savings. What happened? Brain drain. It did not work, they ended up getting less money. We certainly do not want to go near that.

We have a threat now from the UK. I know Boris Johnson said he was keen on introducing a 45p or 40p tax rate at about £80,000 which is on ice at the moment, but I suspect that will come  
335 back. I think the UK wants to be what we may regard, call it, an onshore tax haven. They already have lots of mini tax havens; they are called ISAs. I know people who, when they put the maximum in these ISAs, they have got more than a million quid now. Never paid any tax on it. They do not have to pay tax on it. They have got lots of ways out. People from overseas who were regarded as non-doms, they could just pay £30,000 and not submit any tax returns and they could be earning  
340 millions, if not billions, all over the world.

So the UK will be a threat to us, especially to the middle-earners and if we want to attract people from the middle-earners, like nurses, like teachers and that, we have to be very careful. So I support this and I think nothing should be off the table but one has to pay very careful attention to unintended consequences, because that could be the death of our economy, if you are not very  
345 careful.

Thank you, sir.

**The Bailiff:** Deputy Fallaize.

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

I agree with a lot that Deputy Kuttelwascher has just said. One thing I disagree with, I think he said that the timing of the policy letter, or implied the timing of the policy letter, was quite convenient because it was good that candidates would have to go to the electorate in June, setting out some of their ideas in this regard.

355 I do not agree that will happen at all. Because of the stage at which this review is at, I think the overwhelming majority of candidates, sitting Deputies and candidates seeking to be elected, will go to the electorate with what Deputy Roffey earlier described as the de Lisle approach, which is slightly unfair on Deputy de Lisle, possibly, because he is not alone! (*Laughter*) He just does it more transparently than others.

360 But I think most candidates will to some extent say, 'We need to have an increase in services and we must not have any more taxes or charges.' Because of the way our electoral system works, you just do not get debates between candidates, which will allow the candidates to challenge each other and tease out the policy differences.

This concerns me because the way this process has been set up, what will happen is that the  
365 intention clearly is for the next States to make some really substantial, far-reaching decisions in relation to taxation and public expenditure. But because of the way the electoral system works, whatever decision faces the States, whether it is having an enormous reduction, in real terms, in public expenditure, or introduce GST at 5% or more, or substantially raise Income Tax or treble property tax or whatever it is, at the moment the States either make a decision like that or face

370 the prospect of making a decision like that, there will be substantial public opposition and people will say, 'You do not have an electoral mandate to do that.'

Because it is impossible for the electorate to send a group of Deputies into the Assembly when they are electing Deputies independently, and they have not made a choice between a few options, whether you want to have more tax and more public expenditure, or less tax and less public expenditure, or if you want to have more tax, which type of tax do you want?

375 It is just not possible to use our electoral system to express those preferences. So I have a real fear about the process here, because I am not sure, any longer, that we are in an environment where any single States are able to identify a set of major challenges, make a decision about what should be done to face them, and then implement them all in the same term.

380 Now, if the next States are able to do that, and the last States that did was in relation to Zero-10, there has not been an example of a States since then which has done the whole process, identified the problem, think about the solutions and then implemented the change all in the same States' term, and that States did and introduced Zero-10, I think, on 1st January 2008, which was before the next election. Now whatever one thinks of Zero-10, it was enormously contentious and enormously unpopular and the States did vote in favour of it. (**Deputy Trott:** Tremendously successful.)

Deputy Trott says it was tremendously successful but that is not the point. The point is how do you set up a decision-making process, which allows the States, any States, to confront a set of substantial challenges in a single States' term? I think this process risks sending the States, as an organisation, into a kind of constitutional crisis.

390 Because, if we are in an environment where it is not possible for any Assembly to identify a set of substantial challenges, make decisions about how to resolve them and implement them in the same States' term, you have reached a point where you actually cannot function as a government and so the only two things you can do are change the way in which you govern, so that you can do all of those things in a single States' term. (**Deputy Tindall:** Pour.) Deputy Tindall says 'Pour', but her views on that have always been consistent.

Or you change your electoral system so that when you do have elections the public have a much clearer way through the ballot box of expressing their preference for a set of policies and Deputy Meerveld will now stand –

400 I will give way to him.

**Deputy Meerveld:** I thank Deputy Fallaize for giving way. He was looking in my direction, I thought I would. Of course, I do have a simple solution. You go to Island-wide voting, you form associations or parties and you contest the election on group manifestos.

405 Thank you.

**Deputy Fallaize:** Yes, that is a solution, but the appearance at the present time is that there is very little enthusiasm for that solution. Now, maybe I will be proved wrong. Maybe the 2020 election will see the birth of most candidates standing under association banners or in parties, or whatever it is, and the public will believe that they have three or four choices at the election, three or four sets of policies and they will elect candidates on that basis. I suspect that will not happen.

I suspect what will happen is that the electorate will consider, by and large, that they are electing individuals still, whether they are associated with associations or not, and it will not be clear on the first day the new States convene, what mandate they have to do in relation to fiscal policy or environmental policy or social policy or any other policy. So you are back in the position where the issue is: are the States now, in the current environment, able to identify a set of major problems, identify the solutions, and implement them all in the same States' term?

415 I will give way to Deputy Le Clerc.

420 **Deputy Le Clerc:** Sir, would Deputy Fallaize agree with me that it is not just a case of associations presenting policies but they also have to present their fiscal policy as well and I think

that is what has been lacking from any of the associations so far? If there is no way of funding those policies that is the problem we are facing with the Island-wide voting.

425 **Deputy Fallaize:** Yes, I agree with that. I say this not to criticise anybody who has started or has been involved in any of these associations. I am sceptical about whether it is the right approach but I accept it is a potential solution and, in a way, I admire them for taking that step and trying to do something about the problem.

430 But I think most of the stuff that they have published so far has been motherhood and apple pie and actually does not really allow the electorate to make any choice. In fact, ironically, all of the associations and parties which have been formed so far seem to me to be a variation on the same theme and we might end up with three or four parties or associations at the election all basically offering the same: smaller Government, we need to act like a business, we can afford to have lower taxes and more services. That seems to be the kind of package that is being presented.

435 So I do agree with Deputy Le Clerc, if the electorate are going to make policy choices at the election, they are going to have to be presented with the complete package, the fiscal part as well as the services part. But anyway –

I will give way, once more, to Deputy Inder.

440 **Deputy Inder:** Thank you.

Sorry, I promised I would not stand up as much as I would but I have to this time simply because – Deputy Fallaize has been here a lot longer than I have been – isn't part of the problem the political fear? We have seen something, already, in this term where we know that there are issues revolving around collection of revenue from fuel. Policy & Resources were given this job to look at it two years ago. What they have actually done, they have kicked it over into the next election, because it looks like the 'too difficult' box.

445 Actually, with this fiscal policy, we have known this has been coming for years and years, which has been admitted by people, but the problem is that this has turned up just before an election, to turn it into a problem for a future Committee. Had this come earlier in the election, the public would now know where people are on their fiscal policy.

**Deputy Fallaize:** Yes, I think there is something in that, but in a sense that is the point I am making. That requires a States, any States, to make really difficult, substantial, controversial policy decisions. I actually cannot remember the last time the States made far-reaching policy decisions, which completely shift fiscal policy or social policy. I can remember several examples in the past, (Interjection) Zero-10, that may be the last one, but that is nearly 15 years.

The long-term health insurance scheme was one, abortion was one, but these are all going back –

460 **Deputy St Pier:** Sir, point of order.

**The Bailiff:** Deputy St Pier.

465 **Deputy St Pier:** This is very interesting but we do seem to have drifted quite a long way from the contents of the policy letter. (**Several Members:** Hear, hear.) Just as a reminder to Members, if we are going to stand any chance of dealing with States' business before the end of June, we do need to remain on the topic.

**The Bailiff:** Deputy Fallaize.

470 **Deputy Fallaize:** Thank you, I do not agree with that at all, sir, because –

**The Bailiff:** We were straying into debate about parties and politics. It is not about the fiscal policy that is before us.

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**Deputy Fallaize:** No, but, sir, it is absolutely about how the States are going to set up a process whereby they can resolve the challenges which are set out in this policy letter. Because I am saying I believe that the challenges that are set out in this policy letter will not be resolved. I do not believe they will be resolved by the next States, because I cannot envisage circumstances

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where any States is going to be able to make the kind of far-reaching decisions ...  
If you look at the terms of reference for this review, we are talking about there is the kind of Holy Grail of company tax reform. If there are tens of millions of pounds available in company tax reform then it could be done in a way that would be seen as painless to the resident population. But there does not appear to be any evidence over the last 10 or 15 years that it is possible to raise that sum of money from company tax reform.

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Extension of Income Tax and Social Security. What that means is you raise Income Tax, substantially to raise the kind of sums discussed in this policy letter. A health tax and the only way you can levy a health tax is either on the basis of social insurance contributions or on the basis of earned income or unearned income. That is effectively raising Income Tax. Or the addition of general or limited consumption taxes. What that means is GST. Probably at least at 5% because that is what other comparable jurisdictions have had to do.

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All of those options are going to be enormously unpopular. When the States resolve to adopt any one of them, or a combination of them, inevitably it is going to be possible to generate vast numbers of people, as a proportion of the population, who will be opposed. All I am saying is I cannot envisage circumstances where the next States is going to be any more prepared than the present States, or the previous States, to make those decisions.

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Now if they are, the kind of circumstances which Deputy Inder described are perfectly possible. But otherwise they are not possible. So that is why I am really quite pessimistic about this report and the possibility of the next States resolving the challenges which are in it. I think if there is going to be any chance at all of doing it, the most important thing the next States will have to do early in its life is rule out the things it is not prepared to do, so that it leaves itself with the basket of things it is prepared to do.

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Because I think the only way is going to be, for the senior Committee of the States to lead the rest of the States effectively down a route where the options narrow at each stage and you get to a point where you say, you have already ruled out whatever, you have ruled out capital taxes, you have ruled out raising Income Tax, you have ruled out this, so the only things left are this package of options here.

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**Deputy Roffey:** They will vote against it.

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**Deputy Fallaize:** Deputy Roffey says they will vote against it. Yes, my prediction is that is what will happen but I think that is the only possible way that it might be resolved in the current climate of governance in which we seem to be operating.

I will say one more thing, or two more things. First, I think the point that Deputy Kuttelwascher makes is key. The issue is not so much what percentage of GDP is raised in revenue or spent in terms of public expenditure, the key is what is the cost burden to the resident population (**Several Members:** Yes.) and to different parts of the resident population. There was quite a lot about that actually in the Budget that was debated in October and I think it is key that that information is understood much better as part of this debate.

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The other thing I think is necessary is that when future reports go to the next States there is a very forensic comparison carried out of what is happening in terms of fiscal policy in Guernsey and Jersey and the Isle of Man, because they are the comparable jurisdictions. I think we need to have, or the next States will need to have an understanding, and we would have benefited in this

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525 debate from a better understanding of exactly how the tax burden falls on the resident population  
in the Isle of Man and Jersey, based on where you are on the income scale, what age you are.

I think, if there is some understanding of that, and politicians can see a disparity in any particular area between what is done in Jersey and the Isle of Man and what is done in Guernsey, it might be possible to lead the next States or push the next States into accepting a particular package. But my overall feeling about this whole process is one of pessimism and cynicism.

530 Thank you, sir.

**The Bailiff:** I call the Vice-President of P&R, Deputy Trott.

**Deputy Trott:** Thank you, sir.

535 There is quite a lot to cover but for a man who is one of nature's natural optimists, I have been very disappointed so far that the Assembly has not sought to use this debate as an opportunity to explain to our community the truth. And the truth is that, right now, this community gets a pretty good deal.

540 One of the first reference points in the appendix is the comparison for someone on median earnings. Now, when we were compiling this report, median earnings were £33,600. A little higher now, as a product of a growing economy. Now yesterday, a former president of the Economic Development Committee tried to talk down our GDP performance and that was really a painful experience for me because this Assembly has been in place since the spring of 2016 and will continue until mid-year this year.

545 Now in 2016, we have recently been advised that our GDP growth was 3%. That is a very impressive performance for an economy of our size. But in 2017, the adjusted figures – in other words accurate figures based on actual information, physical, accurate information – showed that our economy grew by 4.6%. That, ladies and gentlemen, is nearly Chinese in its performance!

550 Just because we walk around this community and we do not see cranes in the sky, which we may see in St Helier, there is no doubt that our primary industry has been performing well and only yesterday the International Stock Exchange told us that they had experienced record growth in terms of the number of listings on that exchange during 2019. One of many examples that I could recount as to how well that particular industry is doing. It remains the driver. Why is it so important? It is because without it this place would look very different. We all recognise that.

555 Moving on from economic growth, which is very impressive and long may it continue, let's look in a bit more detail at someone who is on median earnings and, as I say, at the time this report was produced, that was £33,600 per annum. That individual would pay £4,500 in Income Tax and £2,200 in Social Security contributions.

560 Other taxes, which Deputy Kuttelwascher thought may have been ignored, in this particular example, are about £800 per year. That is the median calculation, which means that they would pay an estimated total tax of about £7,500 a year, or 22%. That is, for someone on that income very positive; one fifth of their income is taken in tax, a little over. Whereas Deputy Kuttelwascher gave an example of some years ago where the greed of the UK government was such that it brought about very significant behavioural change. May those days never return.

565 But if we look further down the schedule, we see that somebody who was earning £150,000 – there are not many that fall into that category – but if you are earning £150,000 you pay nearly £41,000 a year, or progressively, 27%. Now take some credit for that because we have created, over the course of the last few years in this Assembly, a progressive tax system that sees higher earners paying more and 27% is still reasonably competitive.

570 Now the other thing that we have failed to do is reassure our community that despite widespread beliefs to the contrary that our public sector is riddled with waste and inefficiency, the figures just do not support that because we know, and very few people dispute, that the amount that we take from GDP is incomparably low compared to our two major competitors, Jersey and the Isle of Man.

575 And how is their tax base higher? Well, the indisputable truth is their tax base is higher  
because they do have consumption tax. In fact, the consumption tax in the Isle of Man is the  
reason why we introduced Zero-10 because the Common Purse relationship that the Isle of Man  
has, still to this day, with the UK, has meant that they have been less reliant on other forms of tax,  
historically. As a consequence of that and the fact that their financial services industry was smaller,  
580 they were able to bring in the remedy that was Zero-10, which effectively meant we had to follow.

I mention that again, because 11 or 12 years on, sir, I am still credited with the economic  
miracle that was Zero-10 but it is wrong, sir, to give me all this praise because it was not in fact my  
idea. It was the idea of some intelligent chap in the Isle of Man. We, fortunately, were sensible  
enough to realise we had no choice but to follow and our economic performance since has been  
585 impressive by any measure,

We have talked about the fact that we – (*Interjections*) They are not my facts they are  
independently produced, but they are facts, nonetheless. (**A Member:** They are facts.) Now we  
really ought to spend a little time –

I am delighted to give way to Deputy Laurie Queripel. Nice to see him.

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**Deputy Laurie Queripel:** Thank you, sir.

I am grateful to Deputy Trott, but he seems to be leaving something out of his narrative, that  
the tax burden has more greatly fallen on the individual Islander as a result of Zero-10 and, as a  
result of that, people are less well off than they were prior to Zero-10. Is that not true? So it is not  
595 all good news, especially for the ordinary Islander.

**A Member:** Hear, hear.

**Deputy Trott:** I have just described the ordinary Islander, which is the person on median  
600 income and you are right, there is a greater burden. We are not miracle workers, Deputy Queripel.

**A Member:** I thought we were!

**Deputy Trott:** There is a greater burden on the resident population than there was  
605 beforehand. But that burden remains comparatively much less than it is in the Isle of Man and  
Jersey. That is the fact. So whilst I concede that the burden is greater today, comparably it remains  
materially lower.

Let's look at what we get for public services because again the appendix is, I think, illuminating.  
So one year of nursing care subsidies, £44,200. If we refer back to the chap or the chapess on  
610 £150,000, sir, paying 27%, they pay tax of £40,628. So that contribution from that significant  
taxpayer is insufficient to cover one year of nursing care subsidies.

One year of residential care subsidies, £23,000 per year. A standard knee replacement, where  
the surgery is provided off-Island could easily cost £8,800. A complex knee or hip operation,  
£20,000. The cost per day of a neo natal intensive care bed – the cost *per day*, sir – £3,500. The  
615 cost of the prison services per prisoner, a staggering £45,000 a year.

The average cost of a fire and rescue service call out, whether one has the conservatory on fire  
or a cat up a tree, the average cost, £3,600 a year. Now I admit that last figure is probably the  
least persuasive, because that is an average, the average cost divided by the number of calls and,  
frankly, I would like to see that figure rise further, because that would mean that there was less  
620 reason for us to demand the services of the rescue services.

But I think what people can see with that, sir, is that we do have a good deal. Now that is what  
will not happen at the next election, Deputy Fallaize, because people will not have the confidence  
to quote these figures to our community because the belief is, and we help perpetuate it, that we  
are riddled with inefficiencies. We are not. There is clearly still inefficiency in what we do. Why do I  
625 say that? It is impossible to eradicate it.

But you cannot take 21% of your GDP, provide pretty much world class services and do it at a 5% discount as a minimum to our nearest competitive jurisdiction and, at the same time, believe that we are an exemplar, if you like, in terms of waste and inefficiency, or the opposite of an exemplar, I should say, the worst possible beacon. The two things simply do not compute.

630 Now Deputy Kuttelwascher's speech was a good one. It was a good speech and it was given from a position of experience and he talked about a 10% consumption tax aligned with a 10% personal Income Tax rate, aligned with a 10% corporate tax rate. Now there was a common theme there, it is 10%. How on earth one persuades the international community that our dominant rate is not 10% in that environment is a challenge that I would welcome him undertaking.

635 The reason we have remained strong and prosperous is because we adopted a fiscal policy that enabled us to convince, then and now, because it is true, our underlying basic rate of corporate Income Tax is 0% and that means that we can continue to maintain that tax neutrality. Now whether we could do that under that particular scenario, I cannot be certain, but I think it is unlikely.

640 The reason we have tax neutrality is much the same as the problem we had back in the days of the Isle of Man's move to Zero-10. We never wanted it and, as my friend and colleague, Deputy Parkinson, was the first to say at the time, if we had an international network of double taxation treaties, where the tax cost here could be netted off against the tax cost somewhere else, then it would not have been a real cost.

645 But if you cannot net it off in the absence of those treaties any positive rate of Income Tax here becomes a very real cost to our customers and our customers will, as a consequence, migrate elsewhere. So I am not completely discounting it as an option but I am saying I think it is extremely unlikely to be a solution.

650 With regard to territorial tax systems, it is possible, particularly if all three Crown Dependencies move simultaneously – something that I think is extremely unlikely to be achieved – it is possible that a territorial system could work. But my belief is that it is significantly less lucrative than some people would have you believe and would not, in an ideal world even, be sufficient to cover the cost of dealing with the issue with regard to equal pay for equal work, within the public sector. I emphasise that because it is the public sector workers, it is the blue collar workers, where the problem exists for us as employers, rather than those who wear white collars, who are predominantly civil servants. I think that is a useful distinction.

655 Now much of what I have said was covered in Deputy Roffey's speech, where he talked about the CDs working together and how crucial that is. The problem is, of course, that the tax systems elsewhere do look very different to us, particularly in the Isle of Man, with the common purse and with the VAT levied at the rate it is.

660 But we now look increasingly different to Jersey, because we have not deployed the measure that they have. Remember, they take 5% in GST but their fiscal deficit is far more disturbing than ours, having deployed that particular measure; and also having seen huge numbers of cranes over St Helier over the last few years, I think I am right in saying that their economic performance has been nowhere near as good as ours and that is partly because of the dominance at the time of the global financial crisis on a certain type of financial services. They did not have, if you like, the breadth that we have, the multiple pillars. They suffered badly and they have yet to recover fully.

665 But I am going to conclude with something that he said, because I have been amazed over the last 10 years, of how our opinions have aligned, of how his excesses on the left, sir, have moved towards the right and my moderate, slightly right of centre views have compressed slightly towards the centre, and we now find ourselves agreeing on almost everything! (*Laughter*)

670 No, we do, because he said, 'Social engineering is the job of Government, what is wrong with that?' I have been saying that for years. There is nothing wrong with social engineering and there is nothing wrong in doing things like saying to our community, 'Look, if you have gone off to carry out some higher education in the UK and we have subsidised you as a community, then come back and pay us back and if you do not want to come back and pay us back by helping generate

GDP within our economy, then get your cheque book out and pay us back.' Which is precisely what happens in the Canadian system and he has heard me say this before.

680 So there are multiple ways we can think smarter and not trying to be all things to all members of our community, whether they remain resident here or otherwise, would be a starting point. Now I am happy to give way, if he wishes me to. He does not, sir. So I shall –

I give way to Deputy Roffey, sir.

685 **Deputy Roffey:** Would Deputy Trott not accept that one of the problems we have as a small jurisdiction is that a range of career opportunities as such, that for many people qualifying with good degrees elsewhere, we simply do not have the opportunities to allow them to take that forward and therefore it would be perverse to have Guernsey children who have flown through schools, got good degrees, to say, 'For the next few years, you have to do something entirely different to your chosen career because we want you to work in Guernsey'?

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**A Member:** Hear, hear.

695 **Deputy Trott:** You can certainly design a system that bears that in mind, sir. But clearly, if someone who has undertaken media studies believes that it is better to work for the BBC in London than it is for the BBC here in Guernsey, well that may be an opportunity for us to have some flexibility when it comes to who we spend our public services on.

700 I agree, absolutely with the comments that Deputy Fallaize has made about this is the time, it is essential that we are honest with the community at this General Election and there will be many, they will not just be those associated with the associations, who will, as I said in an interview recently, try to be snake oil salesmen, promising the world, saying that we can have much more than we have currently got potentially for even less. We cannot.

705 This economy is in very good shape. Generally speaking, the taxes that we take from our citizens are incomparably low. We provide public services at levels that are comparable or better than elsewhere. Stop talking us down but let us be honest with our community at every opportunity. That is the way forward.

Thank you.

710 **The Bailiff:** Deputy Tindall and then Deputy de Lisle, who has stood quite a number of times. Deputy Leadbeater, do you wish to be relevéd?

**Deputy Leadbeater:** Please, sir.

**The Bailiff:** Deputy Tindall.

715 **Deputy Tindall:** Thank you, sir.

720 Whilst setting the fiscal policy framework, or in this case amending it, is a necessary and important aspect of the role of Government – I commend P&R and those who prepared this – I have to say that calling it 'excellent' may go a bit far. But I did not with irony, when that was said yesterday, despite Deputy Ferbrache's protestations, he was actually praising a review, of all things, which of course he does not like.

725 Despite the importance of this policy letter having been highlighted by others, I initially found it difficult to get engaged with the Propositions. We usually benefit from a presentation but this was cancelled due to the States' debate not concluding in time. But I have had the benefit of talking through this policy letter, with the one and only Deputy McSwiggan and also John Ogier, to whom I thank for his independent economic analysis.

I should add that, although there is currently no States external third party review of the economy, States' Members can listen to an independent review of the Island economy at the WEA meeting this coming Tuesday, 7.30pm at La Vallette.

730 The reason that I could not get excited was because my main concern was, and remains, if the  
upcoming major policy initiatives are approved how will they be funded without reducing the  
current provision of services? Whilst there is the proposal for the tax review, for me this does not  
help the decision-making for this term. Deputy Prow referred to his dilemma about putting the  
cart before the horse; I prefer the phrase putting the spending cart before the fiscal donkey. But  
we are on the same page, if not the same animal.

735 Deputy Kuttelwascher, in an excellent speech, advised to look at the material already available.  
I sighed in agreement and over the irony. This does apply to so many topics. But can the States, in  
the majority, make a decision and stick to it?

740 Many have asked for solutions on how to fund the ever-increasing cost of services over time  
and some have tried diligently to come up with ideas during this term, but until this States or the  
next understands that the taxpayer has a limit and the services we provide must also have such a  
limit, how we can we proceed with policies, which are indeed nice to have, but not necessarily best  
for all?

745 Whilst Deputy St Pier observed GDP has indeed grown, in fact it could be said to have grown  
significantly, average wages have not increased in real terms. I agree with Deputy Laurie Queripel  
and I am afraid this aspect needs to be included in the mix. Deputy Soulsby articulated this in her  
speech yesterday and highlighted the connection or lack of between the increasing GDP and the  
feel-good factor.

750 However, analysis of the Guernsey economy shows that, as Deputy Trott has highlighted, whilst  
GDP has increased by 10% in real terms over the past five years, the wages that Guernsey workers  
take home have only increased by 3% and in some years they have decreased in real terms.  
Significant growth has come from company profits, but these are largely not taxed under a Zero-  
10 regime and can be quite volatile. So it seems that an increase in tax will be borne by those  
whose wages have not grown.

755 I too share Deputy Fallaize's scepticism, although a constitutional crisis is perhaps going a bit  
far. This leads to me to the terms of reference on which tax is to be reviewed. While I think  
Scrutiny's letter is very helpful and raises good points, for which I thank them, I do not share –

I give way to Deputy Trott.

760 **Deputy Trott:** I am grateful, because I think what Deputy Tindall has done is extrapolate  
information in a way that is, I think, appropriate, without making the point that ETI, which is the  
most accurate and regular example of growth within our economy, because it is taken directly  
from people's pay packets, has consistently outstripped inflation. That is evidence that real term  
earnings have grown consistently over the last 10 years, not the contrary,

765 **Deputy Tindall:** I thank Deputy Trott for that interjection. As I explained at the beginning, I  
have actually spoken to an independent economic analyst and perhaps he would like to attend  
the meeting next Tuesday and have that discussion with him, because I was repeating what we  
have been told and that actually goes to the point of Scrutiny's letter about independent review.  
My absolute favourite phrase, by Disraeli, is:

Lies, damned lies and statistics.

770 For me, this is potentially one of those areas that can be ... but I do give way to Deputy Trott  
because I think this is important.

775 **Deputy Trott:** It is and I thank Deputy Tindall once more. I worked for many years with the  
gentlemen that she is referring to. (**A Member:** Disraeli?!) I thought was she was referring to Mr  
John Ogier. Victoria loved Disraeli; did not feel quite so well-disposed towards Mr Gladstone, or is  
it the other way around, I am not sure which. But I digress! (*Laughter*) The key thing here is that of  
course there is independent assessment, until very recently, by two economists, one who is a  
professor emeritus, another who holds a PhD and they have confirmed to this Assembly, as

780 Deputy Tindall will be aware, that the information around ETI is accurate. So I do not think we need any other confirmation that what I have told her is absolutely true.

785 **Deputy Tindall:** I thank Deputy Trott for that interjection. Again it does highlight whether or not we need annual independent experts and indeed a States' economist. So, whether or not it is Disraeli or Gladstone, or indeed Mr P – Palmerston for those who do not know who Mr P is, who I am referring to – I still think it is relevant that we have these different points of view and, obviously, indeed, this debate.

790 So I go back to the terms of reference and which tax is to be reviewed and as I say, Scrutiny's letter of comment which was very helpful indeed, raises good points. Again, as I say, I wish to thank them in case that was not put on record. I do not share their reading as for me it is clear that there is a review of corporate taxes, as per paragraph 3.5 of the policy letter and obviously speeches have highlighted this. Just for the record, I would appreciate if Deputy St Pier could confirm the position when summing up.

795 But, more importantly, that tax review is for the next States, and potentially even, as Deputy Fallaize pointed out, the next time after that. Who knows? But we have decisions to make this term. Scrutiny summed up well. They say that, nevertheless, the Committee is of the strong opinion that there remains a number of options available for this Assembly to consider to address the potential cost pressures before considering higher or new taxes or levies. These include significant public sector reform, continued transformation of public services and the potential of spending on specific services.

800 Whilst Deputy Green mentioned other policy options, I think it is important to state that none of these are either/or options. We need to review the current expenditure, or rather keep current expenditure under review. We need to consider whether the current public sector reform goes anywhere near far enough or, more importantly, in my view, and more realistically, whether the level of transformation is ambitious enough and whether the speed at which it is taking place is responsive enough to pressures.

805 Population management and growing the economy is raised by Scrutiny in the letter of comment. I do not happen to agree with comments that Deputy Ferbrache said yesterday that there have been no ideas on how to grow the economy, but I would say that, wouldn't I? However, ideas set in motion in the last two years may take time to come to fruition.

810 But as has been highlighted many times by Deputy Soulsby in relation to health and care services, we also need to look at the level of service provision. We need to hear more from the community, or rather we need to hear from more of the community, as to whether they are prepared to accept tax rises in whatever form they end up being, or whether they will accept a lesser provision of services. We have a super level of services, Deputy Trott emphasised this and I agree. Not perfect and not all encompassing but, in comparison to other countries, something we should be proud of.

820 But should we continue to provide an ever-increasing level of services or should we reduce some provision and remove other services altogether? I think the Election in June this year will be an opportunity to hear the voices of the public and what they consider is the balance to be had. They will hear those campaigning for election, setting out what they consider it to be, and there will be arguments on all sides. But I agree with Deputy Fallaize, the teasing out of the weaknesses in candidates' views will be difficult but the discussions will provoke the community to investigate these options and what they mean.

825 The question is whether the next step –  
I give way to Deputy Fallaize.

830 **Deputy Fallaize:** I am grateful to Deputy Tindall but does she not agree with me, of course what she is saying is correct, the Election is an opportunity, which should be taken to hear the voices of the public, but does she not agree with me that the problem is that the electorate have to hear the voices of the candidates if the electorate are going to make informed choices and put

into the States the people who they want to deliver the policies they want and that unless you can get to that point – and I am not, incidentally, advocating any constitutional or electoral change, I am just setting out the challenge I think the States faces – doesn't she think that that is the key bit that will inevitably be missing from the Election?

835 It is okay saying the public will be able to express their views at the Election on these issues, which is true, but the only way the policies will actually be changed is if the States vote to change them. That is where the challenge may not be met.

**Deputy Tindall:** Again, we think alike, it appears. I gave way at the wrong point! Certainly for me I wrote a paper, before I was elected in fact, and I believe I sent it to Deputy Fallaize, I have sent it to SACC, on how my views on Island-wide voting and their use of hustings and how we can get those hustings up and running. I do not believe they are completely impossible, even with the number of candidates but, you know, I was not elected as president all those years ago, so I am not involved in that any further.

840  
845 But going back to what I was about to say, which is the sort of crux of this point, whether this next States can decipher all that and take clear, decisive action, is anyone's guess. Especially given the committee system and the oxymoron that is consensus Government. Scrutiny state that other policy choices do exist, even if they might be considered unpalatable, e.g. not extending public services, not funding NICE drug treatments and in respect of the aim to get equal pay for equal value, but further details need to be provided to the Assembly at this stage so that Members are able to make a fully informed decision.

850  
855 And there we have the nub of it and which leaves me with what I consider to be the greatest dilemma for me of this term. The fact that the coming policy letters may have information on the cost implications but will have no provision setting out how those changes will be funded. This dilemma is exacerbated when the changes are not only unfunded but also there are doubts as to the extent of the benefit of those changes in policy.

So, whilst this is laudable and necessary to set out the fiscal policy framework, it does not address what has been clear for some time, beneath the tax review and the answer to the questions of how these major policy changes will be funded.

860 This leaves only one option and that is, when making any decisions in principle for the rest of this term, we need to take a leap of faith that those in the next States will ensure the necessary funding is in place to hope that they will ensure the funding is there, not just for the policy changes but for the essential services and transformational work and that the tax imposed is proportionate, fair and progressive.

865 Thank you, sir.

**The Bailiff:** Deputy de Lisle.

**Deputy de Lisle:** Thank you, sir.

870 I just have been trying to catch your eye for a little while but then, having heard from some of the other Deputies, I think the de Lisle approach is quite well known, sir, and perhaps I really do not have to stand up and reiterate. (**A Member:** Go on!) But I will do, sir. (*Laughter*)

875 The fact is that, with my approach, of course, the individual will be taxed less, we will reduce taxes on the individual and, as a result of that, will enhance consumer spending growth and, as a result of that, we will see an improved economy, because anybody who has money invested will realise that too many people on the high street at the moment have their hands in their pocket and are not spending and why are they not spending? It is because of the fact that they are strapped with taxes to the States, to the Government, and that is a fact.

880 But I am fearful, sir, and that reflects of course something that Deputy Fallaize was saying, for the Guernsey taxpayer when I look at the numbers contained in the policy letter report that we have got in front of us. Now I understand, of course, that there are fiscal pressures and there are challenges into the future and I think we have to work with that, like every other jurisdiction is

885 having to meet these challenges and pressures at the current time. Guernsey is not unique in that way and I think we have got to find methods of getting around these particular problems, without subjecting our community to undue pressure financially to the extent of seeing our community as a whole suffering in competition with other jurisdictions.

In terms of the principles, and I speak particularly in terms of principle 5, and the section on 5.21 where moving from revenues of 21% GDP to 24% of GDP will take £84 million out of the economy. This is a substantial increase, sir, in the size of the public sector, which would have 890 material impact on consumption levels and economic activity.

I think we have to appreciate that fact and the total negative impact, actually, is drawn to our attention in the document itself. The total negative impact on GDP, could be as much as 3%. It would also compromise – and this is the main point, I think, that we have to bear in mind – the focus on the need to maintain fiscal discipline and provide services in an efficient and cost-effective manner. 895

Because that business of going from 21% of GDP to 24% of GDP, taking another £84 million out of the economy, and having to charge the community that in taxes and in service charges would compromise –

900 **Deputy Trott:** A point of correction, sir.

**The Bailiff:** Point of correction, Deputy Trott.

**Deputy Trott:** Indeed. Deputy de Lisle is talking about £84 million in that scenario, equal pay 905 for equal work in the public sector, would be about half of that component. These are public sector workers employed in Guernsey, who of course spend their salaries in Guernsey. So it is not quite as simple as Deputy de Lisle describes and, if he wishes to use those sorts of examples, he should qualify them accordingly, in my view.

910 **Deputy de Lisle:** Right, there is a lot of qualification that should be made with respect to the report.

**Deputy Fallaize:** Point of correction, sir.

915 **The Bailiff:** Point of correction, Deputy Fallaize.

**Deputy Fallaize:** Sir, Deputy de Lisle talked about £84 million, but whatever sum it is would be taken out of people's pockets and I think that is an emotive way of putting it but I do not think it is factually incorrect. But it is definitely factually incorrect to say that it will be taken out of the 920 economy because if some, or all, of that money was then spent on local public services, or on the salaries of people who work locally and spend money locally, it would not necessarily, and in fact the vast majority of it, would not be taken out of the economy. The only way it would be taken out of the economy is if it was invested by the States and there is no suggestion that that would be its purpose. So I think Deputy de Lisle does need to correct that or at least refrain from using that particular term in the future. 925

**Deputy de Lisle:** The fact remains that moving from revenues, and this is the point that I am making, of 21% GDP to 24% GDP will have the effect of compromising the focus on the need to maintain fiscal discipline and that is the point that I am trying to get across and that is where I do 930 not agree with putting up that revenue charge from 21% of GDP to 24%. I just feel that it provides that latitude to bring in additional taxes on the community and refrain from the type of fiscal discipline that I want to see maintained into the future. So that is the point that I am making and I think it is a real one.

935 **Deputy St Pier:** Point of correction.

**The Bailiff:** Point of correction, Deputy St Pier.

940 **Deputy St Pier:** Sir, just to clarify, that the limit of 24% is not being put up, it is being retained as it currently exists in the current framework. Just that point of clarification. If Deputy de Lisle wished it to be lower than 24% then he should have brought an amendment to that effect.

**Deputy de Lisle:** I appreciate that bringing an amendment in might have been something that could have been taken on. I chose not to. I chose to speak on the issues in general debate.

945 The fact is that people on fixed incomes and pensions feel burdened and threatened at the moment. Plus young families, I think, are finding difficulty also, with escalating costs staying here. These are facts in the community at the current time. People are being left behind, with little or no disposable income after paying hikes in taxes and charges and with the high cost of living already on the Island.

950 Escalating domestic TRP, as well, is pushing people to consider exactly what they should do with their own homes and I think these are serious issues with respect to the current situation in Guernsey and one wants to pass on to the future generations what one has had oneself, through a life in Guernsey, and the advantages of living in Guernsey. One wants to pass that on and, to be quite honest, this is not the case. I think we have to be looking at certainly lowering the cost on the individual of tax in the Island.

955 Hiking TRP on residential property, of course, is a massive surcharge, with respect to not only the middle earners that Deputy Kuttelwascher was talking about, but also the effect on people with fixed incomes and pensioners, they are having that additional burden. It is a large burden on them.

960 While I spoke just recently with respect to the OAPs and particularly the 75s and over with respect to withdrawal of the free TV licence, I think the point being there that we are withdrawing something that used to be there on that element of our population and it is the same as the age-related allowance, that was taken away in the 2019-20 Budget: the £900 tax allowance that was given to OAPs.

965 All this adds up and there are benefits there that are being withdrawn and I also fear for the benefits that are being withdrawn really on the younger population as well in our community. For example, tax relief on mortgage interest, the threat to Universal Family Allowance payments, the threat to the Child Allowance scheme for single parents – all these areas, they are benefits that are being withdrawn, consequently.

970 I fear, also, for the withdrawal, for example, of the health benefit grant sometimes discussed in here and the exemption from prescription charges, for example. All these things being withdrawn and they are benefits to important elements of our community.

975 Now I want to make one more point and that is my concern but before then perhaps I should just make the point, also, that Guernsey collects 21% of its annual GDP revenues, we are told in the report, compared with Jersey at 26% and the UK at 38%. Now that is an unfair comparison and it is an unqualified comparison and that should not be placed in a report of this type.

980 Unqualified statements of that nature, when we know that the population in Jersey, for example, is almost double what it is in Guernsey, so in fact there will be extra strains and constraints there, with respect to their economy, and the fact that comparing with the UK, where they are responsible for defence and many other areas, international responsibilities as well, that we do not have burdened on our shoulders in the same way.

So we have to be fair in what we write in these reports and if we do make statements like that then qualify the facts and acknowledge the fact that there are other costs in these other communities that have to be looked at.

985 Then, getting back to my last concern, that any review that is proposed and supported here is fully comprehensive and this is where I worry a bit, because when I read the report, particularly in

terms of sections 3.9 and 3.14, when it comes to corporate tax I am not sure that I get the comfort that there is going to be a correct and full assessment and analysis of what can be done with respect to corporate tax.

990 I will just relate in a little more detail those particular areas, because a few areas have been pointed out: raising personal Income Tax by 7%, they quote in the report; Social Security contribution rates up 7%; estimating another 350% increase in domestic and commercial TRP in order to bring in many of these new revenue charges that will have to come in with new developments and priorities in terms of spending.

995 But there appears to be reluctance to tackle the corporate tax rate, as the implications, for example in 3.14, of substantial change are too wide-reaching for decision without extensive research and deliberation.

Now we know that that is going to be an extensive study there and I just wonder whether we are going to have a fully comprehensive report when the review is put together. Also, in 3.9, where you state it is:

... it is unlikely to be feasible to raise sufficient revenues to meet the all of the long-term revenue need ...

– from corporate tax –

... without undermining the sustainability of the Islands' economy or its international position.

Again, there is a move there to move away from looking in detail at not only corporate tax as it is currently structured, Zero-10, but also looking at, perhaps, other means of working with 10% or territorial tax as another means of looking at corporate tax and how that might be an area that would help to bring in some of these new programmes into the future.

1005 So, to sum up, basically, I do not like principle 5. There is not an opportunity, actually, in the document as such, in order to look at those principles, and agree or disagree with them. So that is something that we cannot do with the Propositions as they are laid out and I just say that, unless I can be given some comfort there with regard to corporate tax and also tax on the individual, I will not be supporting these particular Propositions for a review, unless the review can be shown to me to be fully comprehensive.

1010 Thank you, sir.

**The Bailiff:** Deputy Le Tocq.

1015 **Deputy Le Tocq:** Thank you, sir.

I will follow on from Deputy de Lisle. Although, and he knows this, I do not agree with his logic when he speaks about lowering taxation, not increasing taxation but increasing services, I think there are many people in our community who agree with him and, when he talks about facts, I do not agree that they are facts but I think many years ago when I studied philosophy there was a lot to learn about the difference between facts and values.

1020 We are living in a world which is increasingly led by values, which of course are feeling based. Whilst it is a fact, as my good friend Deputy Trott often mentions, to make comparisons with median earnings in Guernsey and what, when you are taxed on median earnings, the services that might provide, that is a fact, it is true, but there is a myth there is no one out there on median earnings, that it is an imaginary statistic that is put out and, of course, it means that there are people, certainly, who feel very differently because their values are at least aligned with some of those that Deputy de Lisle was espousing.

1025 Whilst I do not agree with him, I think we do need to take note of how some of our community feel with our current position. Now, the options put before us for this review are again, to quote an old philosophy teacher who used to talk about the evil of two lessers, a choice of several lessers that I think we could probably all agree that we would rather not do.

1035 That is the dilemma that we are facing and I think I, sir, just wanted to underline what I feel is the message that P&R are bringing behind this policy letter to this Assembly and it is this, quite simply, that the days of tinkering and tweaking are over. We cannot solve our position, our problems, by tinkering and tweaking. We either have to have a significant change in direction, in terms of public spending, or we have to swallow hard and seek to find new ways of generating income. We cannot continue to do what we have been doing in recent years.

1040 I do agree with the analysis that Deputy Fallaize made earlier, sobering as it was. Indeed, we have had some sobering speeches, I think, this morning, from Deputy Roffey, I was sobered by what he said and glad of what he said, as well, in a similar way to that which Deputy Trott described before. Similarly Deputy Kuttelwascher, I think we do need to ensure that we properly address these issues, because we are living increasingly in an age where it is possible to see people unite around identifying problems, but not unite around solutions to those problems.

1045 Because it is so easy to get people to agree that they are against something, but then trying to get the very same people to agree on what their solution would be, you come up with a plethora of different solutions. Now we are seeing that in a number of different areas and, as Deputy Fallaize said, our system of government does not help that in any way, because we all stand as independents so we could, at the election, if asked questions on this, all say very fine platitudes, 'Yes we agree that is a problem, yes we agree something ought to be done about that. Efficiencies should be made here, there and everywhere.'

1050 But when we come together afterwards to then try and put together a programme to identify solutions, what we come up with is a vague mess, because we cannot agree on the solutions to that. Now I know Deputy Fallaize said he was not suggesting a particular political way forward, because he would not suggest executive Government –

**Deputy Fallaize:** That is not a solution.

1060 **Deputy Le Tocq:** It is not a solution, it is true, but executive Government with a majority behind that executive is a different matter, which is sort of the way that Jersey has gone. And it is certainly the reason that the Isle of Man went this way in the 1980's when faced with huge issues, probably far worse than what we are facing here, but nevertheless they were facing a similar problem.

1065 Now I want to make a few comments about efficiencies, sir, because I do believe that there are efficiencies that we can make and I know Deputy Trott alluded to that, as well, but I am not so naïve to think that they will be easy to do, these things. Some of them are in play already, but we are so desperate to see results from these sometimes that we judge them far too soon and end up tinkering with them or delaying the benefits of them.

1070 Public sector reform is one of those. Digitalisation is one of those. And we have got programmes that we have voted through in this Assembly. We need to be resolved to continue to see those through to the end. In that respect, sir, I will mention it here, I think our four-year terms work against us and I really do think we need to move to at least five-year terms. I would not move to six, because I think that would probably discourage people from standing but I do believe that five-year terms, and I have felt this for some time, would enable our system at least to cope with some of these things better, because political courage is sapped out of certain of us because of our four-year terms and we need to have political courage to face these sorts of problems. We need to, as I said earlier, swallow hard and find solutions together.

1080 On efficiencies, sir, some people have mentioned the Crown Dependencies working together. I think, as has been said already, the Isle of Man is really out of sync with us, both geographically and currently the issues that it faces are quite different to us. Its economy is different now, in terms of its financial services and the like. But I am, as many of this Assembly know, an advocate of greater working with Jersey and I do believe that there is much more that we could be doing in finding efficiencies by working with our close colleagues in Jersey, because the problems that we

1085 face are far more aligned to those in Jersey than they are anywhere else. And there are opportunities there.

But of course it takes two to tango and we need to ensure, if we are going to do that, that we have enough support in Jersey in particular areas. We do not need to work on every single area, but I am glad to be part of the Channel Islands Oversight Board that is beginning to get some traction in those areas. But we certainly, if we are going to see any of these things come to fruition, particularly in the area of health, for example, we need to get much more buy-in and traction between us politically, and we need to put aside other feelings. But we could do that if we have a sobering face –

I will give way to Deputy Soulsby.

1095 **Deputy Soulsby:** I do thank Deputy Le Tocq. I do not want the impression to be given that there is only blockage from the Guernsey end in terms of working with Jersey. Far from it.

1100 **Deputy Le Tocq:** No. I concur with that analysis of it and I do know, similarly, that there are colleagues in Jersey that are very keen for us to proceed with greater enthusiasm to this, but again politically we all know how difficult it is working in this Assembly together; working across the Islands is even harder. But when we soberly face the issues that are both Island Assemblies, I think we are duty bound to try and put aside past feelings or issues of mistrust and seek ways in which we can work together for greater efficiencies. It makes sense, there is logic behind it and it is evident that it will help us and obviously handle some of the issues that this policy letter addresses.

1105 I will make a few comments about GST being on the table. Many Members know I have never been in favour of it, having worked in VAT in the UK in my first job after graduation and seeing how expensive that was to police and manage. It is a regressive tax but if we are going to countenance doing that, which of course the two other Crown Dependencies have already got such systems in, then I believe we need to do so only by ensuring that we raise enough revenue to target those who are mostly negatively affected by that.

1110 Again it will be tinkering around to put GST in at a very low level. I think we could do so and Deputy Kuttelwascher alluded to this, by also simultaneously reducing Income Tax, which would be a very attractive thing to do. But I think we need to look at that in detail to find out what our options are there and that is something that I am willing to do. It is one of those swallow hard issues for me, but I would be willing to do that if we can include those other measures as well.

1115 GST in Jersey, one of the things that annoys me when people over here talk about the finance sector and how they have had it good with Zero-10: in Jersey, through their GST system, through an exemption fee, they raise millions and millions from financial services, that pay an exemption fee as though it is a below the line payment to be exempt from GST and we have not got that option of drawing from those services who have benefited from Zero-10. So it is something that is complicated but it is something we do need to look at.

1120 I come back to the first point and my main point that I made. The underlying message here, certainly from me but I know from my other colleagues on P&R, is that we cannot continue to tinker. We must not put that as an option on the table and if Deputy Fallaize's prophecy of doom comes true that is exactly what we will be doing. But it will only be kicking the can down the road for a future Assembly to have to face even more serious issues in due course.

1130 **The Bailiff:** Deputy Oliver.

**Deputy Oliver:** Thank you, sir.

1135 I will be brief. I actually had quite a long speech for this because I think it is actually one of the most important topics that we have had this term, to set out the fiscal framework for what we are going to do. But Deputy Soulsby and Deputy Prow actually took away the thunder and said most of what I wanted to say.

But there is just one other thing that I would like to say and it is the timing of this report. We really should have had this at the beginning of the term, so we could have finished what we have started with this, rather than letting the next term finish it. But we are where we are.

1140 The other thing is that many of the speeches that I have heard this afternoon are actually speaking and pre-empting what the outcomes will be of this. So it is almost four steps down the line. So if we could try and keep to maybe just saying about the six principles it would be much appreciated.

Thank you.

1145 **The Bailiff:** Deputy McSwiggan.

**Deputy McSwiggan:** Sir, I think I may have been the victim of a bizarre personality transplant with Deputy Kuttelwascher, because he spoke about the importance or the role of political courage, which I think is more normally a touchstone of my speeches, and I am going to stand up for a couple of minutes and give a fairly laconic, 'Well who cares and does it really matter anyway?' kind of a speech! (*Laughter*)

1150 In respect of the fiscal framework it definitely does not matter, because we break every rule we make so regardless of the outcome of that debate that is where we and future States will be. In respect of the review of taxes, I am less pessimistic than Deputy Fallaize, because I put less stock in the value of this review in the first place.

1155 Now when he and I were both on Social Security with Deputy Gollop, at the start of term, Deputy Gollop would often breeze in and say. 'Those two want to go much faster and I think we should slow down!' The contrast between Deputy Gollop's perspective and ours was, I think, the length of political vision. Having been around a long time, Deputy Gollop knows that we tend to get there in the end. We go through lots of ups and downs, but we end up somewhere better than we started.

1160 In fairness, I share that perspective, but I wish we could avoid some of the harms that come with the long process of learning and getting to where we want to be eventually. I was really pleased in this report that Policy & Resources appear to have turned the tanker, in respect of their perception of public sector efficiencies, in recognising that there are some to be made but it is certainly not the Holy Grail of balancing the books in the future. I think that is a much better and more honest narrative than what we had at the start of this term and certainly what we heard during the last term.

1165 I suspect that this review will, as Deputy Fallaize envisaged, tell us very little that is new, help us very little in terms of making long-term decisions about how we should fund what services and from where. But when the crunch comes, when we have a particular issue that we need to fix, this States' track record has been that, after a lot of time, after a lot of time and often after a lot of harm, we do do it.

1170 A lot of the challenges that are highlighted in this report contain the seeds of their own solution. Long-term care funding, in particular – which I know Deputy Trott does not want to confront in terms of the cost-neutral options for resolving it – it definitely contains the actual seeds of its own funding solution and if we tackle things on an issue-by-issue basis, which is what this States is better at doing really than coming up with these grand solutions to everything, then I think we will get there.

1175 I think we have passed up a prime opportunity, with this next policy letter on NICE drugs, because we could have used this; P&R, should they have wanted to, could have used this to open a door to a health tax because it is the one opportunity in the context of health spending to say, 'Okay, we are going to be raising more money but here you can clearly see what you are getting for it.' We have missed that opportunity and so, when we are talking about health taxes in future  
1180 we will be back to this issue of, 'Well there are general pressures.' So the struggle will be between can you squeeze more efficiency out of the health care system or do we have to squeeze more money out of ordinary people.

1190 I think the message to all of us is this review does not really add much value. It is not really going to take us anywhere but is that really going to matter in the long run? I am not going to vote for it, but if others want to, so be it.

1195 I do just want to make one point that is probably more in character, which is the disappointing fact that this policy letter plays down the value of environmental and *[inaudible]* taxes. It is right, of course, that the more effective they are, the less they raise, because behaviours change, but the point is that as behaviours change they do not incur the costs that mean we need to raise taxes in order to respond to them. So I just thought that was again a little bit of an opportunity missed, but in the end I think it is going to be alright.

**The Bailiff:** Deputy Gollop.

1200 **Deputy Gollop:** Possibly conveniently, because Deputy Yerby has just mentioned me. In a way it is a bit of a score draw there because I have more than experience of how long these processes take because, for example, if you take Income Support, SWBIC as a totem of policy, it is interesting I think yesterday some made reference to about three of the four most long-lasting and important policies of this Chamber being in a way in the bread basket of Employment & Social Security, rather than Policy & Resources.

1205 But SWBIC eventually got there and was successfully delivered and transformed. Whether the policy was right or not, it remains to be seen, but the point was we made the steps and we prioritised the resources and we achieved the outcome of effectively putting more millions to the most needy people on the Island. Whether that was politically popular, with aspirational people or the losers, is another matter.

1210 Where perhaps, with hindsight, Deputy McSwiggan and Deputy Fallaize are right, that we did need to crack on quicker at the start, I was busy at the time with Planning of course, because we have got the Island Development Plan all ready to go, was on the equalities legislation, because it has proved to be one of the most complicated pieces and, as Deputy Le Tocq and other Members will recall, when it was under the old Policy Council, not a lot of progress was made, precisely because maybe they ran out of time in the nature of a four-year term.

1215 But I do not necessarily see the answer as extending terms but I think that is a bit off the subject and I also think it is a little bit off the subject, Deputy Fallaize's worries about our political and constitutional subject. Of course, we could do a Boris Johnson and have an early general election now and then. We would have to change our SACC constitution, but of course every Member can resign and create a by-election, which of course would be –

**Deputy Lester Queripel:** Sir, point of order.

1225 **The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** With the utmost respect, I feel you are allowing and you have allowed Members to go way beyond the Propositions in their speeches.

1230 **The Bailiff:** I think you are right and I am at fault. So thank you for calling me up and I ask Members to bear that in mind. Deputy Gollop – can you put your microphone on?

1235 **Deputy Gollop:** I was going to be actually much more positive and less pessimistic than Deputy Fallaize on the question as to whether this can be delivered by the next term, because we are, by the very nature of things, putting it through the next because of course you have to look at the telescope from perhaps the other perspective.

The other perspective is, as I have often done on committees, I think to myself, why waste time with the theory and the analysis and the strategy? Just get on and make a decision and then, like poor John Gollop or Pooh Bear, and you find the larder is empty and you think, where can I get

1240 food from? When can I find a nice friend to support me? We are fast entering the situation that, regardless of whether it is politically acceptable to raise taxation or not, we are running out of money. The decisions we may take later today or tomorrow on drug funding, if it goes in a particular way, will make the decision for us.

1245 I think the speeches today have been a lot better, generally speaking, than yesterday, because I agree with Deputy Roffey that there was a tendency yesterday for a race to the bottom and people kind of outdoing each other as to how they can minimise smaller Government. Well, if people want to do that, they have to stop voting for things that increase the size of Government, whether it be extra officers for, I do not know, what we did yesterday in relation to charities, or other things that will come up today and next term.

1250 I thought the really stand-out speech yesterday, though, was with Deputy Soulsby, who really put into perspective people's social and cultural attitudes to Government and the size of Government not necessarily leading to greater happiness, and the philosophical issues that we get in a society where there is a degree of inequality and where, of course, you will have, inevitably, comparison with societies, which we might not wish to be like.

1255 Of course Deputy Roffey also hit it on the head when he said that actually if we went to the maximum size of Government possible, we might end up like a Scandinavian country and if we did then that would not be an offshore economy. That is surely the balance.

1260 I was very impressed by Deputy Kuttelwascher because I think there is mileage in looking at the 10-10-10. In fact, I suspect that indirect taxation based on certain things, the 10% would eventually rise higher. Because I am kind of almost in a minority of one in the Chamber at times and my minority status, I am a victim of vacillation, like Sir Bruce Forsyth in the old *The Price is Right*, I am wanting to go wherever expenditure is at, 'higher, higher'.

1265 Because I would go further than Deputy Roffey and say in some areas we do need to have a large Government. And I have always found quite an effective message, whether it be populist or not, and I am unlikely to agree with any or all of the political associations and parties in every policy matter, especially fiscal, regardless of their existence, I have always found an effective message to the public is the opposite of Policy & Resources and other candidates. I would tell them, they say to me, they grumble a bit perhaps, and they say, 'What is happening?'

1270 I say two things will happen. Firstly, taxation will go up, especially for ordinary people. And secondly, we are likely to spend more on Civil Service/public sector pay and conditions. Everybody else here will say, 'What a bad thing to say', and that is exactly what has happened.

1275 Because look at this report. The reason Deputy Oliver can call Policy & Resources out for bringing this three months before the end of our term is simple. Policy & Resources started this term, like most other States' Members, past and present: 'We are not going to introduce taxes. We do not need to do that. We can just get by, by tinkering. We will introduce really effective economies. We will have a transformation, an FTP, that will fundamentally re-write society.' That has not happened, it is not happening and it has not been realistic.

1280 We only have to look at 2.4.2 and look at some of the things. Yes, they are a bit horrific, some of them. I mean Health & Social Care demand, £5 million to £10 million; primary care services, NICE treatment; States' pension, £8 million to £18 million; long-term care funding. Well people have said what is the difference between a nice-to-have service and an essential service? Actually Guernsey was ahead of the game in having very interesting and useful long-term care funding that many Islanders, including indirectly myself, have benefited from, but that comes at a cost.

1285 Guernsey is more generous than Jersey. It is a lot more generous than England and Wales. People are able to inherit a larger percentage of valuable properties. Now if you are going to curtail that in any way that satisfies some right-wingers who want to cut the cost of public expenditure, but it will not satisfy those who have been used to a comforting inheritance or whatever. That is just one example.

1290 Secondary pension. Here is an interesting one. There is a cost in lost revenue. We have an initiative that many people, especially people on the conservative side of politics wanted, long-

term financial prudence, reducing the burden perhaps of States' pensions down the line, but there is a cost to it.

1295 Public sector terms and conditions, we were promised massive reductions but, here we are, huge figure, £35 million to £40 million. Deputy Roffey says that can be curtailed a bit but of course it is not so easy in the public sector to do that and Policy & Resources have at least had the courage to put that.

1300 The point I am making is that we have to be realistic about what we want to achieve in taxation and, yes, you can look across at other political systems and you have individuals like, for the sake of argument, Jeremy Corbyn, Jo Swinson, Caroline Lucas saying we need to put more on tax and they lost. Or in some cases they lost their seats. But the point is did they win the argument? I do not know.

1305 But I think, although you had a blue wave victory, what you will have are fiscal pressures on government in the UK to deliver a combination of investment and expenditure and we will find the same. I think, when you ask people questions like, 'Do you want to pay consumption taxes?' they will say, 'No, of course we do not.' It depends how you ask the question. It is not just in the context of cutting services or extending health care or reorganising things. The question might be, would you prefer a consumption tax and a significant reduction in Income Tax, especially for low to middle earners, increasing our differentials?

1310 Because at the moment we all know that in Jersey if you earn a certain amount you will pay less tax, because there is a greater tax allowance than Guernsey. We have not had an intelligent conversation on this. I think the PTBR somehow lost direction for all kinds of reasons. It needs to be shaped with the professional community.

1315 I know many anti-Zero-10 Islanders, shall we say, would be of the opinion that wouldn't it be great if we had a corporate tax back again? That could do significant damage to the economy. I know Deputy Parkinson has gone on record as saying he might have reintroduced it to this Assembly if he felt he had had enough support, but he did not put it to the test and nobody has.

1320 So actually we have had three-and-a-half wasted years in terms of fiscal policy and I think now is the time to grasp the nettle and ensure that the next States at least has the conversation because I think, if the States kicks it down the road again in the next term, we will end up in a situation where we will have no choice but to implement some measure, whether people like it or not. And I think when you look at our offshore base, the flexibility to introduce wealth taxes, higher Income Tax and taxes of that nature are pretty minimal and counter-productive. So, yes, we do face a tough conversation ahead.

1325 **The Bailiff:** Deputy Graham.

**Deputy Graham:** Thank you, sir.

1330 Members of the States, I shall be very brief, because most of the points I would wish to make have been made in one form or another. I do not believe this Assembly divides simplistically between the tax and spend wing and the *laissez faire* wing, but if it were to divide in that way, I think I would be smack bang in the middle, possibly in danger of falling down the hole in the middle and in which case I would probably grab, in an emergency, for the smaller end of the Government rather than the larger bit.

1335 But I am pretty much in the middle and my perspective on this is as follows. I wish this was more about the seven principles than what the review might actually produce but, in my view, of the seven principles in front of us, which Proposition 1 invites us to engage with, there is only one, really, which is a tough one. In my view, six of them are concerned with stuff that we would like to do in most circumstances.

1340 For example, it was quite mildly interesting to talk about the degree of capital expenditure earlier on this morning, but only mildly so, and to be honest I do not think the outcome was of any consequence at all really. I think you could argue the same about whether the deficit should exceed this, that or the other figure.

1345 These are matters that any sensible jurisdiction would be willing to engage with. The really tough one is principle 5, of course. It is tough because it does address the honesty issue and the honesty issue is an acceptance that our appetite for expenditure is going to outstrip the traditional conventional means of meeting annual increases in expenditure by annual increases in revenue.

1350 That traditional approach, we have heard all the methods by which we do it, is to tinker at the edge with the level of the various revenue streams and incrementally adjust for it. I am rather like Deputy Oliver that, in addressing that, I just wonder why it is so late in this term that we are addressing this now, because I think the warning signs were there ages and ages ago. It is not the sudden emergence of big ticket items that should have brought our minds to address it.

1355 In a way, I am rather embarrassed to be handing this over to the next Assembly. But there it is. I am disappointed with myself that I did not think to bring an amendment, which would have allowed us to address this honesty question of being invited to approve Proposition 1, because I really think it would have been a very accurate indication of the determination of all Members of this Assembly to embrace the notion that the only way ahead is to contemplate raising the level of our revenue from 21.3% to 24%. Because although it is a permissive principle, in the sense that it does not oblige us to go up to 24%, I think being realistic, future Governments would regard it as an invitation to do just that.

1360 I think it would have been great, and I kick myself for not addressing this earlier, if we could have actually shown how determined we are to accept that bit of honesty by voting discreetly on principle 5. We are not going to be able to do that and I am disappointed. That said, I am going to vote for the policy letter as amended by amendment 1.

1365 **The Bailiff:** Deputy Merrett.

**Deputy Merrett:** Thank you, sir. I will be quite brief.

1370 I have already brought Members' attention this morning to the letter of comment from the Scrutiny Management Committee and I stand by that and that is on public record, therefore I do not feel I need to repeat it. Although I am appreciative of Deputy Green putting out some key points yesterday, which I am thankful for.

1375 The only reason I want to stand, sir, is just a couple of things. First is this discussion about political courage and there are examples where previous Assemblies have lacked political courage or have not acted in a particularly timely manner and I can give you an example, an example that has often crossed my mind is of the final salary pay. The private sector recognised early on they could not afford to pay final salary pay, that they would have to have different schemes and they enacted them and they brought their members with them. That is what they did.

1380 The Assembly did not act, in my opinion, as quickly as they could have done with that and obviously it is costing us. One of the biggest expenses we have are pension payments. I think when we say about how big the Civil Service is and we say we are going to remove 200 positions, but actually a lot of those will be going into retirement. But we are still paying, or the taxpayer is still paying. They are just paying from a different pot. Some members are obviously getting a final salary pension. I think we could have moved away from that far earlier if there was more political courage shown.

1385 I was a little bit confused when Deputy de Lisle spoke, because the impression was that there should be support for universal benefits, regardless of need. That we should give to members of our community universally regardless of whether they do actually need it or not. I was a bit confused, because when Deputy de Lisle was speaking about we have removed this extra additional benefit from old age pensioners but actually it is younger families that are struggling, maybe should they have additional benefits, should they have a tax break more than anybody else?

1390 So I got a bit confused because we cannot try to have one part of our demographic and then allude to there being a problem about the other side of the demographic but not address it in

1395 anyway. You really cannot have it both ways. For the record, sir, I am not supportive of universal  
benefits regardless of need. If we are going to give somebody a benefit, it should be on the need  
provision that we actually need to support them in some manner and not just have universal  
benefits. But that is my persuasion.

1400 I also just wanted to quickly give support to what Deputy McSwiggan was saying about  
environmental taxes because there are areas where we give; for example, we have no fuel duty  
excise on pleasure vessels. So we have big gin palaces coming in and filling up with hundreds and  
hundreds of litres of red diesel. The owners are not necessarily on those vessels. They might not  
be coming ashore even to ... coming from any other jurisdiction at all, they are coming purely to  
fill up their vessels and then to go off to some other place.

1405 So there is an opportunity there to actually raise substantial amounts of revenue and, for  
absolute clarity, sir, I have discussed this previously with members of Policy & Resources and I was  
given comfort that this would be part of something that would be in the mix, *per se*. Also,  
Members will know, because I have tried now on numerous occasions, to remove the tax  
allowances for higher earners and to bring down the tax gap. I have tried this. I have tried it and I  
1410 have got more assent for the last Budget debate, when I got 13 votes, which is better than the  
other debate when I got five or six, so I think the Assembly is getting there, kind of getting what I  
am trying to do.

1415 That is what I tried to do and I will not give in because I think eventually we will all realise that  
actually that is probably the right thing to do. Then really I think what Deputy de Lisle was  
alluding to, but I am not sure, it really was about a bit of a wealth gap. Every community, as we  
get a bigger wealth gap, from the rich and the poor, it gets discontent and there is something  
called the JAMs, the just-about-managings, or the middle squeeze. There is something called in-  
work poverty. We know this, we have been there. We know what we could do to try to help some  
of those members of our community, so again it is having the political courage, recognising it and  
1420 reacting to it.

1425 Lastly, I understood what Deputy Oliver was saying and I understand what Members were  
saying, I think it was yesterday, 'We do not have a hand in report, what is the point, the next the  
Assembly will decide for themselves?' And others said, 'What about running the States like a  
business?' Okay, I have never worked anywhere where you just walked away, with no handover,  
you have given no consideration to how the next Assembly could arrange their matters and they  
are accused of this inertia – 'Okay, yes, [*inaudible*] because it is nine months from the States' –  
actually we could try to address that.

1430 I think what Deputy Oliver was saying is that, potentially, if the last Assembly had put  
something in place, then actually we could debate to an extent in this Assembly. By actually doing  
this today we are trying to help and assist the future Assembly. Because there should ... I am  
supposing some Members will absolutely vote against this because this is another review and I do  
not think they want to pay for a review and I do not actually know how much a review is going to  
cost, either, but we are going to have this review, blah, blah, and some Members will vote against  
it because we just did a review and the next Assembly can do what they like anyway, we do not  
1435 know any of this.

1440 That is fine, that is their prerogative. But I do feel that I have a care of duty and trust and that I  
should try to help the next Assembly as much as possible so that there is not this inertia that they  
are able to get up and get running as quickly as possible and that is not just through induction.  
That is also about having policies and reports coming back in a timely manner for them that they  
are unable to try to make informed, intelligence-based decisions and I actually think the fact it is  
coming back within about a year of the first term, Members will hopefully be on board and will  
hopefully start to build some of their political courage to make those difficult decisions.

1445 Other Members have said in this debate so far that it is political grandstanding or whatever. I  
think that, in the last six months, I have certainly seen changes in behaviour, which have surprised  
me, I have to be honest. Maybe I am just a little bit naïve but I have seen behaviour changes but  
that is, again, up to Members. I think that if we do have this difficult decision within a year, two

years of a political term, Members just may have enough political courage to say actually, yes, we do need to do this and these are the reasons why.

1450 I will support this but I do urge Members and I am assuming they have, because I do believe Members have got integrity, would have read the letter of comment and in that letter is really my heart and soul of what I really believe and feel about this policy paper before us.

**The Bailiff:** Deputy de Sausmarez.

1455 **Deputy de Sausmarez:** Thank you, sir. I will be very brief as well. Like others, Deputy Soulsby really negated the need for me to stand up and say everything that I was originally intending to say, so I will just put a couple of further points.

1460 Firstly, quite recently there has been talk about this should have come much earlier in this political term and I think it is important to bear in mind the context and the previous, very wide-ranging review had been done in 2015 and I think, as Deputy Merrett has just alluded to, at least this one will come earlyish in the next political term and I think that is a good thing.

Also, building on something that Deputy Merrett touched upon is, in paragraph 3.16, it talks about the terms of reference and it does say:

To provide analysis of the financial, economic and social implications of any options presented.

1465 And touching on something that Deputy McSwiggan also alluded to, earlier, I think, I would like confirmation from P&R that environmental considerations will also be taken into account. Realistically, this might take the form of considering the implications of things that are not introduced as well as *are* introduced.

1470 Finally, Deputy Soulsby yesterday was talking about the trickledown effect and, again, I would very much hope that there would be some analysis into the reality of that because I think at the core of a lot of what people have touched on, which I feel very strongly about and have talked at length in previous debates, about this disconnect between how well the economy is doing and how hard people are finding it in the real world. That disconnect is real.

1475 I think there needs to be some serious analysis on why that is and personally I can think of a number of different ways that could be looked at but, certainly, comparing and contrasting GDP and, for example, metrics like Income Tax receipts, across the spectrum that is maybe a little bit too simplistic. But I really do think some serious analysis needs to go into why that disconnect exists, because we all know it is real and we all know it is important. Until we have some serious analysis on that, I think we are talking too theoretically. A future Assembly would not be making an informed decision on what the implications of various measures would be.

1480 Thank you.

**The Bailiff:** No one else is rising to speak, so Deputy St Pier will reply.

1485 **Deputy St Pier:** Thank you, sir, and thank you to all Members who have contributed to the debate. I will seek to respond to a number, obviously not all the points that have been raised during debate. Deputy Lester Queripel, and I think Deputy Green also, picked up on the question of the accountability in respect of the framework.

1490 I think it would have been a possibility to legislate for the framework in some way. I think that does exist in some other jurisdictions. I think that would, in itself, raise some challenges around what the penalties would be and it would also perhaps limit some of the flexibility that might otherwise exist.

1495 I think the reality is that the framework is there to provide, to enable the States of Deliberation to hold P&R to account but also, clearly, to the extent that the States of Deliberation then wishes to part from perhaps the recommendations of P&R that comply with the framework, then ultimately it is a matter for, of course, the public.

I think this is really about setting expectations. It is about credibility and trust and creating, as it says on the tin, a framework of understanding for the public, the community, for business, for investors, as to the direction of travel in relation to fiscal matters. Now I am fairly confident that that response will not necessarily fully satisfy Deputy Lester Queripel or, indeed, Deputy Green, but I think it does fairly reflect the nature of the framework –

1500 I will give way to Deputy Queripel.

**Deputy Lester Queripel:** Sir, I thank Deputy St Pier for giving way. Bearing in mind what he has just said, does he not agree with me that the statement in the policy letter paints a false picture and should never have been in the policy letter in the first place?

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**Deputy St Pier:** No, I do not agree with that, sir. As I have sought to articulate in responding to the debate, I think the question of accountability is dealt with in that level. It may not be to the level, which is satisfactory to Deputy Lester Queripel, but that is fairly reflected in the nature of the framework and the way that the policy letter is constructed.

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Sir, Deputy Prow, in essence, was really asking for the dots to be joined up and I think, really, this layering of the fiscal framework with the Medium Term Financial Plan and the annual Budget is the way in which the dots can be joined up and I think I found myself actually violently agreeing with much of that which Deputy Prow did say.

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In relation to public service reform, he was the first to touch on it and a number of others did touch upon it, as to its progress, of course many of the public sector reform programmes do lie with individual Committees who are primarily driving them, albeit co-ordinated and overseen by the Policy & Resources Committee. Health & Social Care, for example, have spent around about £3 million so far on the transformation of health; Education have spent about £1.4 million. So that gives some indication of the progress that is being made by those Committees.

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Deputy Dorey, in relation to principle 2, questioned the impact of the replacement of the depreciation under the accounting standards, from the capital expenditure in the calculation of our deficits and surpluses. Unfortunately, and he was generous enough to give me advance notice of his question, which allowed me to seek further advice and, as I suspected in the conversation before, unfortunately we are not in a position to provide a detailed response as to what that may be, other than perhaps, as he would expect, it will be a different number.

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It is necessary for the States to complete the building of a fixed assets register before it can obviously then begin the process of working out what the depreciation number will be. But I think the point was very well made and I think it was a good observation.

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In relation to principle 17, sorry principle 7 – there are not another 10 that we have not told you about! (*Laughter*) – the number would have been 13% had it been revised and it was a matter, again, as I did explain to Deputy Dorey outside the Assembly, but it is worth putting on the record, it is a matter that the Policy & Resources Committee did consider, whether a revision down was appropriate.

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Because we had taken the advice of the Scrutiny Management Committee and included other liabilities in that cap, we felt that it remained appropriate to leave it where it was and to provide some flexibility should it be needed in the future. I know that Deputy Dorey does not necessarily agree with that judgement but hopefully he will at least be reassured that it was a matter that the Committee did give some consideration to.

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In relation to the fiscal review, again, Deputy Dorey I think was the first to mention this but a number of other speakers did too, in really testing and probing the scope of looking at Zero-10 and the corporate regime in general, in particular whether we could look at the rate – the 10, in other words.

I think absolutely all these things are and should be within the scope. It is really making the point that I made several times, sir, from this place and elsewhere, that this remains a very rapidly evolving area of international policy development. After decades of moving at a glacial pace, international tax policy is now very rapidly moving, driven principally by the OECD and the

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1550 questions of economic substance, which this Assembly considered last year, which has been a matter driven by the EU, now there is another raft of policy development by the OECD, which in essence is dealing with where corporate profits should be taxed and we do expect developments on that in 2020, which will inform this work as well.

Deputy Tindall, of course, was specifically looking for confirmation in relation to the scope of the review and whether it will cover corporate taxation. I do wish to really draw attention to paragraph 3.16 and the second bullet point there, which seeks to define the terms of the investigation mechanism and it does make it clear that the taxation of company profits will be within scope.

1560 A caveat, of course, is I think it is important we give reassurance to those that have a stake and interest in our economy and the business sector, that we must always have regard to the need to maintain a tax system, which is competitive, internationally acceptable and maintains tax neutrality, which I know causes concern to Deputy de Lisle. But it is important that we provide that reassurance. Subject to that, it is very much within scope, recognising this rapidly evolving world that we are operating in.

1565 I think another point, which Deputy Tindall raised, is one of the challenges of this review, I think, needs to be to better connect the growth in the economy with our tax revenues. And I think, again, others have made that observation that our GDP has been growing, as we know, in 2017, at a stellar 4.6%. But our revenues would not necessarily have grown at the same rate in that year.

1570 So there is this disconnect between GDP and our tax revenues. That is because of the nature of our economy. So I think we do need to consider, through this review, how we do get a better connection between those two matters. Corporate taxation may well play a part and that is why, also, consumption tax should be within the scope as well, because that could be one methodology by which you could ensure a greater correlation between the changes in GDP and changes in tax revenue.

1575 Deputy Dorey also made reference to the long-term increase in the pension age. I think that was a very valid point. He also made reassuringly familiar comments in relation to TRP and Document Duty. He knows that I very much agree with him, but he also knows the challenge of replacing the scale of Document Duty adds to the burden of any change in our tax base.

1580 In relation to the P&R Plan, Deputy Soulsby touched upon the P&R Plan. We did, of course, through the P&R Plan, update, debate, seek to propose that it becomes the strategic tool, which was supported by the six Principal Committee plans that enable them to develop policies and implement them. But of course that particular Proposition, through the P&R Plan debate, was actually defeated and replaced with an updated Rule 23. I think, again, we do need to give some thought to the whole P&R Plan process and perhaps helping to join the dots and ensure that it is at a higher strategic level, which is one of Deputy Prow's points as well.

1585 Deputy Green was the first to make the point that it needs to be a package of solutions and I think others made that as well and I absolutely would agree with that. Perhaps playing a game of *Top Trumps* with Deputy Inder in Benjamin Franklin quotes, Benjamin Franklin also said:

There are two ways to review your wealth: improve your means or decrease your wants. The best is to do both at the same time.

So I think that is worth keeping in mind as well.

1590 Deputy Ferbrache, who is not in the Assembly at the moment, did make great emphasis on the need for growth. Again, it is worth emphasising that, of course, we have had substantial growth, 4.6% in 2017. I should emphasise that there is no correlation between that growth in 2017 and his position at the time as the President of the Committee *for* Economic Development; I think it is entirely coincidental! (*Laughter*) But I think the important thing is that it is difficult to ensure that we capture that growth in our public finances and I think that is one of the things that, as I said, 1595 we do need to include within the thinking about this review.

Deputy Inder, in concluding his speech, said this is really the start of a conversation. He was not really that much of a fan of the whole policy letter and the Propositions, but I think that very much captured an essential point about this policy letter and this debate. It needs to be the start of a conversation and, as others have said, that carries the community with us in a period of change and transition as we recognise the competing pressures on the provision of public services.

Deputy Roffey went through, as did a number of others, some alternatives in terms of raising taxation and I was not really proposing to go through all of that today because that very much is the subject of the review. But I really wanted to land on his, perhaps, favoured option, which was a change in the Income Tax rate. It was something that he said, philosophically, he was not opposed to, he would be happy with that.

Quite apart, again, from as I emphasised in my opening speech, the fact that that probably would not necessarily raise the sorts of sums that might be required, a really key point is that it simply would not change our tax base. It is simply trying to squeeze more out of what we know will, over an extended period, be a shrinking tax base, if we continue to think that the taxation of direct, personal income is or should remain the main source of income, public revenues, then we do have a challenge. So it can only ever be a short-term solution, I would suggest, given that long-term trend that we are well aware of. So I would just add that as a note of caution in response to his comments.

Deputy Fallaize made the point around the need for this to be addressed in a single States' term. That is very much why the Policy & Resources Committee is recommending that this needs to come back PDQ, in other words by June 2021. The new Policy & Resources Committee does need to bring it back in order that the States can make decisions and implement them before the end of the next States' term.

So I think it is a valid point. In terms of the ability and capacity to do that, I think it is realistic for the next Policy & Resources Committee to do that. There is a substantial body of work that has been undertaken already in the 2015 Personal Tax, Pensions and Benefits Review. It clearly needs to be refreshed and updated. There is additional work that needs to be done in terms of economic and social impact analysis but I think that can be realistically done, which is why we were happy to present that as a date, albeit obviously we are committing our successors.

Deputy de Sausmarez asked for confirmation that environmental considerations and, as much as anything else, things that are not done, should be perhaps included in this. I think it is a very valid observation. Of course, without wishing to suggest any direction of travel, one of the Committees she sits on, the Committee *for the Environment & Infrastructure*, is of course due to bring a climate change action plan before the end of this term. That may provide a hook for that Committee to perhaps turn its attention and give some further light on that particular issue.

Just some final general comments, sir. Deputy Merrett actually picked up on an issue that I did want to address, which is for me a key issue for this review, to focus on the challenge of inter-generational equity and it has not featured much in this debate and I am grateful to Deputy Merrett for mentioning it. Forgive me, Deputy Soulsby, if you mentioned it too.

The reality is that if we seek to divide our community up into the traditional generations, the baby boomers, typically – and of course this is a series of generic statements – but generically baby boomers will have final salary pensions. They will typically have their own homes with little or no mortgage and they may have pursued a single career.

Generation x, of which I am a part, will typically have defined contribution pensions. They will have, typically, their own homes, albeit with larger mortgages. They probably would have pursued a number of different jobs but largely would have had security of income. The millennials, the next generation, will probably not have any pension provision, will have less secure jobs and probably the younger end of that range would probably be renting now. The older end of that generation will probably only just be buying their first home.

So it is no wonder, of course, that that generation are having fewer children and they are having them later, in turn creating further dependency ratio pressures for future generations. I will not even begin to speculate about generation *y*, the one that comes after the millennials.

1650 So I think we cannot and should not expect the next set of generations to really be funding everything in relation to the future, with this growing problem of a smaller number of them, shrinking number of them in relation to a larger number of dependants. They cannot be expected to pay for it all in the future, in addition to their own pension provisions, our pension provisions, our social care, as well as seeking to provide for their own homes and their own families, albeit born perhaps later to them.

1655 So I think that is an issue that does require some consideration and it may require, actually, differential tax rates, differential tax allowances. These are things, which should be thought about in a way that perhaps has never formed a part of tax policy before.

1660 The strategy that currently exists really is to rely on an assumption that wealth will cascade from one generation to the next. That actually the baby boomers will die, that will pass to generation *x*, who will then pass it onto the millennials. I think there are two flaws with that strategy. First of all, obviously, that passage of wealth is getting later as people are living longer and that obviously is a very positive development with improved health care and longer life. But we would have to recognise the impact of that.

1665 Secondly, of course, it does not actually help those who do not have wealth in their family and I think that is very much widening the wealth gap that Deputy Merrett was talking about. So I do want to highlight that as an issue, which I think does require a lot of detailed consideration and policy development when thinking about a new tax strategy.

I will give way to Deputy Gollop.

1670 **Deputy Gollop:** Impressed though I am by the arguments the President is making, how can the President answer some of the criticism and ideas from Deputy Fallaize and others, which is politicians who stand for election, unless they are independently wealthy and perhaps even of retirement age, how will they risk their careers by putting forward arguments that the blue wave of populism in Britain and America and other countries is clearly showing that the older generation is resisting new taxation and is demanding the same or even higher level, as Deputy de Lisle has described, of cover and care. In other words, how can you put across that message when the voters are predominantly older rather than younger, as we have seen in the UK with Brexit?

1680 **Deputy St Pier:** Sir, Deputy Gollop highlights a political challenge. I do not think it is one that I can necessarily provide the answer to, other than perhaps to highlight Deputy Inder's point that it is the start of a conversation that as a community we do need to have openly and honestly, which I think was Deputy Trott's point.

1685 I want to just really conclude with this though, which is in relation to the value of this framework. I know that Deputy McSwiggan and a number of others do have serious concerns or doubts really about its value. But for me, sir, and I think for many, we should see that the adoption of the fiscal framework is a very clear statement to our community, to our business sector, and future residents and investors, that actually Guernsey is determined to remain a competitive, low-tax economy. That is a very important message to give.

1690 We are acknowledging that there are some significant challenges that do need to be thought about. But, as I said in my opening statement, I think this Assembly and indeed its predecessors, has not been afraid, albeit it has been difficult, to face up to some of those challenges and deal with it in a way, it is painful and it is not easy, but actually we have taken ownership as a community of some of these challenges in a way that other communities have not yet managed to do so.

A good example is the creation of the Long-term Care Fund. It does itself have its own challenges now, of course, but I think we can and our successors can also act in a responsible way

but doing so with that very reassuring message to our community and, importantly, the business sector that is driving the economy and therefore our public finances, is a very important part of starting that important conversation.

1700

With that, sir, I do encourage Members to support the Propositions.

**The Bailiff:** I remind Members there are three Propositions, the first one of which has been amended as a result of the successful amendment from Deputies Roffey and Green.

1705

**Deputy Tindall:** Could I have a recorded vote, please?

**The Bailiff:** There will be a recorded vote. Does anybody wish to have a separate vote on any Propositions or can we take all three together? No. We will take all three together, with a recorded vote.

1710

*There was a recorded vote.*

*Not carried – Pour 36, Contre 2, Ne vote pas 0, Absent 2*

**POUR**

Deputy Trott  
Deputy Le Pelley  
Deputy Merrett  
Deputy St Pier  
Deputy Stephens  
Deputy Meerveld  
Deputy Fallaize  
Deputy Inder  
Deputy Lowe  
Deputy Laurie Queripel  
Deputy Smithies  
Deputy Hansmann Rouxel  
Deputy Graham  
Deputy Green  
Deputy Paint  
Deputy Dorey  
Deputy Le Tocq  
Deputy Brouard  
Deputy Dudley-Owen  
Deputy Langlois  
Deputy Soulsby  
Deputy de Sausmarez  
Deputy Roffey  
Deputy Prow  
Deputy Oliver  
Alderney Rep. Roberts  
Alderney Rep. Snowdon  
Deputy Kuttelwascher  
Deputy Tindall  
Deputy Brehaut  
Deputy Gollop  
Deputy Parkinson  
Deputy Lester Queripel  
Deputy Le Clerc  
Deputy Leadbeater  
Deputy Mooney

**CONTRE**

Deputy McSwiggan  
Deputy de Lisle

**NE VOTE PAS**

None

**ABSENT**

Deputy Ferbrache  
Deputy Tooley

**The Bailiff:** While the votes are being counted, if we are to start the next item, which is the Health & Social Care Report on the Review of the Funding of Drugs Treatments and Devices, Deputy Soulsby has told me she will not be able to conclude her opening speech before 12.30 p.m. What I am going to suggest is that, once we know the result of the vote that has just

1715

been taken, we rise but perhaps come back at 2.15 p.m. as we will be arising a bit earlier, come back a bit earlier. I will just announce the result of the voting, which was 36 in favour, with two against, so I declare the Propositions, as amended, carried, and I put to you –

1720 Deputy Lowe?

**Deputy Lowe:** I was going to suggest maybe we take the Home Affairs one, sir, I am not sure if there will be much debate on that one?

1725 **The Bailiff:** Fine. Does anybody wish to debate the Home Affairs Report on policing in Alderney and Sark? Only Deputy Gollop. Well, in that case, let us take that and then we will rise at 12.30 p.m. or, close to, as normal.

## COMMITTEE FOR HOME AFFAIRS

### VII. Police Support for Alderney and Sark – Propositions carried

*Article VII.*

*The States are asked to decide:*

*Whether, after consideration of the Policy Letter dated 28th October 2019, of the Committee for Home Affairs, they are of the opinion:*

- i. to agree that the Police Force (Guernsey) Law, 1986 should be amended to enable visiting police officers from the United Kingdom and the Bailiwick of Jersey to operate in Alderney and Sark on the same basis, including being subject to the same requirement for authorisation by the Bailiff, as that Law provides for such officers to operate in Guernsey;*
- ii. to direct the preparation of such legislation as is necessary to give effect to their above decision.*

**The Deputy Greffier:** Article VII, Committee for Home Affairs – Police support for Alderney and Sark.

1730

**The Bailiff:** Deputy Lowe.

**Deputy Lowe:** Thank you, sir.

1735 This proposed amendment to the Police Force (Guernsey) Law 1986 will extend the current Law that already permits police officers from the UK and Jersey to temporarily undertake duties in Guernsey to cover the Islands of Alderney and Sark. The Head of Law Enforcement has advised that, from time to time, additional policing assistance is required to meet particular demands on the resources of the Islands' Police Force, for example during critical incidents, major investigations and Royal visits.

1740 The legal advice has recently highlighted that an amendment to the Law is required to ensure that the authority for such officers to perform their duties in the other Islands is beyond doubt. As now, all police officers coming to the Bailiwick to assist in policing duties will require approval of the Bailiff, following application from the Committee for Home Affairs. Once authorised, the visiting officers come under the direct command of the Chief Officer of the Island Police Force and are subject to the authority and jurisdiction of the Guernsey courts.

1745

The communities of Alderney and Sark clearly deserve access to policing expertise when it is needed, in the same way as it is for Guernsey. The authorities in both Alderney and Sark have indicated their support and I would ask this Assembly to also support this Proposition.

Thank you, sir.

1750 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** I support the Proposition, but I would be interested to hear if there is any feedback from the States of Alderney Representatives. I am kind of surprised this has happened, because I do remember a few years ago there was an excellent police officer who had had experience in the Midlands, who was on semi-long term secondment on the Island. He was a member, I believe, of the States' Guernsey Police Force, but not based in Guernsey, nor had he ever been based in Guernsey, and I just assumed that the Police, having serious and major responsibilities across the Bailiwick, would have had the power to put specialist police officers, who were not necessarily Bailiwick officers, who were here on secondment, where appropriate.

1755  
1760 I thank Deputy Lowe for plugging this gap, but I just assumed that it could have been done. And remember, from a legislative point of view, this raises another important question, whether we are doing this with the consent of the Chief Pleas of Sark and the States of Alderney or whether, because of the nature of our duties, we have had to introduce this through security and risk and wisdom, regardless of whether they like it or not.

1765 **The Bailiff:** Alderney Representative Snowdon.

**Alderney Representative Snowdon:** Thank you, sir.

1770 Just to say that the States of Alderney is fully supportive of this and I think it is a bit of a tidying up exercise and it just makes sure that it is beyond reasonable doubt that this comes into force.

Thank you.

**The Bailiff:** Deputy Lowe – Sorry, Alderney Representative Roberts.

1775 **Alderney Representative Roberts:** Thank you, sir.

I would just like to praise the Police Force that we have in Alderney. They do a very good job, proper community policing and we are more than happy with them.

1780 **The Bailiff:** Deputy Lowe will reply.

**Deputy Lowe:** I thank the Alderney Representatives for those kind words and I will pass that across to the Head of Law Enforcement. This really is a tidying up exercise and to make sure that they can legitimately operate within the areas when they come into the Island.

1785 **The Bailiff:** There are two Propositions, Members. I will put both to you together, those in favour; those against.

*Members voted Pour.*

1790 **The Bailiff:** I declare them carried. It is now closer to 12.30 p.m. so I suggest we resume at 2.30 p.m.

*The Assembly adjourned at 12.25 p.m.  
and resumed at 2.30 p.m.*

**COMMITTEE FOR HEALTH & SOCIAL CARE**

**VI. Review of the Funding of Drugs, Treatments and Devices –  
Propositions carried**

Article VI.

*The States are asked to decide:*

*Whether, after consideration of the Policy Letter entitled 'Review of the Funding of Drugs, Treatments and Devices', dated 25th November, 2019 they are of the opinion:*

*1. To agree, in principle, that the States of Guernsey should adopt, on a non-statutory basis, a policy of funding drugs and treatments in receipt of a Technology Appraisal from the National Institute for Health and Care Excellence, including those drugs approved for funding from the Cancer Drug Fund.*

*2. To direct that the Committee for Health & Social Care should adopt a phased approach to the implementation of Proposition 1 above, starting with those drugs and treatments with an incremental cost effectiveness ratio (ICER) value of up to £30,000 in Year 1, followed by an increase to an ICER value of up to £40,000 in Year 2, as set out in this Policy Letter, at an estimated cost of £5.6m in Year 1 and £8.3m from Year 2.*

*3. To agree that the costs associated with implementation of Propositions 1 and 2 will be funded from General Revenue until such time as the legislative changes are in place to enable this expenditure to be funded from the Guernsey Health Reserve.*

*4. To agree that when the legislative changes referred to in Proposition 3 are in place, a transfer should be made from the Guernsey Health Reserve to the General Revenue Reserve of the value of expenditure which has been incurred by General Revenue under Proposition 3.*

*5. To direct the Committee for Health & Social Care, with the support of the Policy & Resources Committee, to report back to the States with a review of the practical application of the policy referred to in Proposition 1 in the first two years of its operation, together with proposals recommending or otherwise the introduction of drugs and treatments with an ICER value greater than £40,000, to be submitted to the States for consideration as close to the end of Year 2 as possible, but in any event, no more than six months following the end of Year 2. The review should include:*

*a) details of the long-term funding arrangements necessary for the continuance of drugs and treatments with an ICER value of up to £40,000;*

*b) proposals recommending or otherwise the introduction of drugs and treatments with an ICER value greater than £40,000, to include identifying the associated financial and resource implications; and*

*c) details of the long-term funding arrangements including any capital and/or additional infrastructure necessary for the introduction of drugs and treatments with an ICER value greater than £40,000.*

*6. To direct the Policy & Resources Committee to use its delegated authority to approve the use of a maximum of £150,000 from the Budget Reserve to fund the review set out in Proposition 5 above.*

1795 **The Deputy Greffier:** Article VI, Committee for Health & Social Care – Review of the Funding of Drugs, Treatments and Devices.

**The Bailiff:** The debate will be opened by the President, Deputy Soulsby.

1800 **Deputy Soulsby:** Sir, on behalf of the Committee for Health & Social Care I am delighted to present our findings and recommendations following a comprehensive review of drugs, treatments and devices.

1805 The Committee honoured the direction of the States in publishing its policy letter in time to meet the 2020 Budget, albeit that we are only now debating it. A lot of work was done in a relatively short space of time to get us where we are today.

Firstly, I would like to say that the Committee is very grateful to Solutions for Public Health for an excellent piece of work. Their knowledge and skills are evident at all stages of the process and have enabled us to present proposals based on detailed impartial and expert evidence.

1810 Consultants have had a bad press and in some cases justifiably so, taking our watch, telling us the time and going away with a handsome reward – but not in this case.

We should also like to thank all those that contributed to the process, fellow Members, those in specific interest groups, as well as consultants, GPs, nurses, pharmacists and other health professionals as well as members of the general public. Their views have all been considered in the development of this policy.

1815 Before highlighting the key proposals I really think it is important to say that the current policy which has, to a large extent, been in existence for the last 17 years has been effective in controlling the rate of increase and health costs over a period of considerable budgetary restraint.

1820 Officers have done an excellent job working within this policy and if they had not done so health overspends would probably have been much higher and the balance on the Health Service Fund considerably lower. We must not forget that and it is something I will come back to at the end.

Understandably, those arguing for extending the drugs and treatments available do so in terms of fairness, it is not fair that people in England get access to drugs not available here. However, that is not the only factor that needs to be taken into consideration.

1825 As I said during the debate on Deputy Roffey's requête, our current policy was designed before the Partnership of Purpose was developed and approved by this Assembly, and the Committee as part of that policy letter stated the need to ensure future policy aligns with it, and in particular the key aims are fairness, prevention, user centre care, proportionate governance, a focus on quality and empower providers and integrated teams. These aims were specifically stated in the terms of reference of the proposed review.

1830 It is as a result of that review that we believe the current policy has created disparity between the drugs available to patients in England and those available to patients in the Bailiwick, such that the gap is now too large to be acceptable and a change in policy is necessary if this is not to worsen. Indeed since the review was undertaken an additional 51 technology appraisals have been approved.

1835 A number of Members spoke in the last debate about the need for people to have access to what they stated were lifesaving drugs though it is important to note that many of the drugs and treatments approved by NICE that will become available to Guernsey and Alderney residents are life extending rather than curative treatments. As such they cannot be considered lifesaving although some of the newer treatments do have the effect of reducing often uncomfortable side effects and enable patients to maintain a greater quality of life during treatment than some of the existing treatment pathways and are expected to be one of the major benefits of adopting NICE TAs.

1845 In summary, we propose that the States should, in principle, move towards funding all drugs, treatments and devices with a TA from NICE including those approved for funding from the Cancer Drug Fund and that treatment should be phased in based on the universally accepted method of differentiating drugs known as incremental cost effectiveness ratio.

1850 We are also proposing that the next committee report back to the States after two years and before full implementation for two key reasons: firstly, additional staff resources and infrastructure changes will all be required before NICE TAs with an ICER over £40,000 can be introduced; secondly, as NHS social judgement states, advisory bodies need to make a stronger case for interventions with an ICER over £30,000.

It is important to make clear that the complexity of the work has meant that it has been necessary to make a number of assumptions about the anticipated cost of adopting NICE TAs. It is

1855 therefore essential that Members take the figures in this policy letter as best available estimates at  
this time. In the case of backlog costs in particular it is assumed there is no decrease in costs over  
time. However, it is more likely that regrettably some of those patients receiving newly introduced  
TAs will pass away each year and will not require treatment on a long-term basis. However,  
1860 determining mortality rates would be a very difficult exercise to undertake and certainly not  
possible in this timeframe.

A non-statutory approach is being proposed to ensure best value for money and I need to  
make it very clear here that this is not because we do not acknowledge the expertise of NICE, we  
do, and follow its published guidance on most areas within health and care in fact, but rather  
because it will allow for some of the bias in the NICE TA process to be neutralised.

1865 I think I should also advise that through ESS a lot of work is done to maximise the use of  
generic over-branded drugs.

There are additional costs if we are to extend the drugs and treatments in the way envisaged  
beyond the costs of the treatments themselves. It will also require additional costs and resources  
for communication, developing new pathways, new internal policies, audit of new TAs, new staff  
1870 and new software.

A lot of thought and planning will be required to ensure things go smoothly as well as to  
ensure the public is aware of the new policies and that we can provide greater transparency over  
those processes we bring in.

1875 Sir, we have already had a debate on the pressures on finances, we have debated the merits of  
spending money on one thing or another. I said at the start how the current policy had served the  
States well during considerable budgetary restraint, but the question we must ask ourselves now  
is has the time come where it is not serving its people well.

That leads me to P&R's letter of comment. In it they say that the States are being asked to  
make a value judgement regarding the point to which the investment of resources in improving  
1880 the quality of life and wellbeing of potentially small groups of individuals represents an effective  
use of resources in achieving the vision of becoming the happiest and healthiest place in the  
world for the community as a whole.

Well let's dissect that statement for a minute. Firstly, Members need to understand that these  
are the decisions Health & Social Care has to make all the time, but it is not just a simple matter of  
1885 looking at the number of individuals involved; after all we spend upwards of quarter of a million  
pounds each on liver, kidney and heart transplants which benefit just a handful of people each  
year. Indeed we have had a particularly high number last year that impacted on our off-Island  
budget but these benefit a very small number of people. However, we do so because of the  
proven clinical and cost effectiveness.

1890 It is for the same reason we are saying that NICE TAs with an ICER up to £40,000 should be  
funded but that we should undertake a review after two years, particularly to determine whether it  
is justifiable bringing in those with higher ICERs.

It should be noted here that we are not necessarily talking about the cost of those drugs,  
specifically we are not saying drugs costing over £40,000 but their incremental cost effectiveness  
1895 ratio. The amount of money needed to be spent to achieve one additional quality adjusted life  
year with one medicine compared with another.

We make it very clear that funding new drugs and treatments should not be at the expense of  
other investments in the Health Service which support the long-term transformation of health and  
care. As I said in the last debate, the current budget levels are unrealistic even before considering  
1900 more drugs and treatments. Where would the funding come from?

The easiest thing to do would be to cut the off-Island budget for tertiary care not provided  
here such as radio therapy, complex surgery, and other cases, thus penalising one group for the  
benefit of the other. I cannot see that as being politically acceptable.

1905 Other areas that support prevention and early intervention are often the first to be cut when  
budgets are tight but that is cutting off your nose to spite your face and will only lead to greater  
costs further down the line.

1910 Indeed focussing on prevention and early intervention is a means for preventing people from needing many of the new drugs and treatments in the first place. Screening may give short-term benefits but it is through other Public Health measures such as through preventing obesity, smoking and excess alcohol consumption where we could really cut the drug bill, but we are only likely to see the benefit of that in the medium to long term.

1915 The solution proposed, which has been agreed by both P&R and ESS, is that we seek funding from general revenue until legislative changes are made that mean it can come from the Guernsey Health Reserve for the first two years, which would mean up to £5.6 million in year one and £8.3 million in year two. This is a considerable sum of money although based on a worst-case scenario, as I have said.

1920 However, I find it interesting that this is a first set of comments I recall coming from P&R that compares the cost to the percentage of particular taxes. I have no problem with that we should probably do it more often. However, I do not recall any such comparison being made when we were asked to support a supposedly temporary overdraft facility for Aurigny of over £25 million in the last Budget: extra funding for digital transformation or the £8 million requested for public sector reform. None of which benefit the people of Guernsey and Alderney directly.

1925 So much of what Government does, whilst incredibly important, does not benefit our people directly. If this policy letter is approved we estimate over 3,000 people's lives may be made better. That is equivalent of, oh, say, theoretically two colleges of 1,500 students each. Is that not enough people to care about?

I think it is also worth bearing in mind paragraph 3.5.4 of the main report where it states the:

... long term position of late or never adoption of newer, effective interventions will not only affect patients but may also have an indirect, adverse effect on the ability of clinical staff to be able to maintain their professional standards, or for younger doctors to take full clinical responsibility for prescribing older treatments with which they may be less experienced.

And in the long term attract and recruit clinical staff.

1930 Ultimately and probably most importantly, given the last debate, supporting these proposals today will reduce inequality by making available drugs that are currently only available to those who can pay.

1935 Our proposals are expected to help thousands of people – not a handful, thousands – who may live longer, may live in less pain or be able to live independently and productively for longer. If that is not considered to help us become one of the happiest and healthiest places in the world I do not know what does.

Sir, I ask Members to support this policy letter.

**Several Members:** Hear, hear.

1940 **The Bailiff:** Deputy Merrett.

**Deputy Merrett:** Thank you, sir.

1945 Firstly, I wish to thank the Committee *for* Health & Social Care for their extensive work in this area and for providing us with such a comprehensive policy paper. Further, they have done this in a relatively short period of time and this is admirable.

1950 Further, the identification of the health inequity and the lobbying by the Health Equality for All (HEAL), especially as many members of HEAL are not themselves well and have not benefited from receiving the drugs and treatments on our current White List, because they are not on our current White List and they have to either raise funds, get into considerable personal debt by self-funding, go on drug trials or will have the ability to pay for private health insurance to enable them to access the drugs and treatments that they need to give them a quality of life.

Broadly, sir, this policy paper seeks to reduce the significant disparity in the range of drugs and treatments that have inequity that HSC now believes is too great and cannot be justified.

1955 Let us be clear at this juncture, sir, it is not just the health inequity compared to other Crown Dependencies or the UK but also the inequity between the rich and the poor in our community. It is recognised, sir, that income should not be a barrier to accessing drugs and treatments. When you are asked if you have health insurance at the doctors or at the Emergency Department most people think that it is just to determine if they wish to claim on their insurances or not. What it actually means, sir, is a different care pathway and therefore potentially a different outcome.

1960 We have specialists that work for HSC and in the private sector, the same specialists can and do treat patients in the PEH and in our community, meaning different patients – some under the HSC contract and some private patients – but there is disparity in which drugs and treatments can be offered.

1965 Now HSC clearly state that they believe this disparity in the provision of NICE and TAs is not justifiable – analysis that P&R accept in their letter of comment. I agree but what are we going to do about it?

1970 To me, sir, it is a poignant example of where the benefits of being a low tax jurisdiction are not reflected across the whole of our community with some being able to afford private health insurance and some not with the Government being asked to make hard decisions due to a limited corporate tax intake and a narrow revenue stream.

We know many of our community have different care pathways and this is not just about how quickly they are seen, or even who sees them, it is about the actual drugs and treatments that can be prescribed to them and have an equitable opportunity to live the healthiest life possible.

1975 We are warned by HSC that they cannot find the budget for funds from their existing general revenue budget. The Guernsey Health Reserve has been identified by HSC and Policy & Resources as an interim solution and as part of a contributory benefits system that was designed to make primary and secondary medical care more accessible to our community. In 2019 it had £120 million in reserve. Not a long-term sustainable funding solution but a good interim solution and arguably what the money should have been being spent on anyway.

1980 So we need to find an alternative long-term funding source but isn't that true for the whole of HSC? Isn't that the driving force behind the Partnership of Purpose? Why are we carving out drug funding, funding it differently potentially from the specialists who are prescribing the drugs and treatments. We did not do that, as Deputy Soulsby mentioned in other debates.

1985 We debated the Population Management Law and then need an extra half a million to bring it in, but we did not say we will have to raise taxes to cover that, arguably it is a much smaller cost.

It is shameful, sir, to me that drugs and treatments and quality of life is being used as a subject to increase taxes. I cannot believe the pure coincidence of the fiscal rules policy letter and this policy paper are being debated at the same sitting, but maybe I am just getting a little bit paranoid.

1990 Sir, we need to review how we will fund our services and which services, not just one element. There is an argument that we have let down our community for years. It may have saved money but it has certainly not saved lives.

1995 Apparently if we start providing the drugs and treatments we cannot retract from that really well that is what happened before, we decided to go down a White List route because at the time the NICE list was not as well developed as it is now but how open and transparent were we when we realised in fact the reality now is that there is disparity that HSC agree is no longer justified.

2000 I do not think we can really put our hands on our hearts and say that there was a presumption of disclosure. In fact it was questions raised by Deputy Roffey that caused me to start investigating this. Did we clearly advise our community that we do not have parity, that we have our own White List and that drugs or treatments not on the White List would need to be applied for within a veil of ignorance by a practitioner and go through a test to determine if we could or could not add it to the White List and in the interim just wait and see?

2005 How could 3,000-plus members of our community who could benefit have been clearly notified that if they lived in a different jurisdiction, arguably a less affluent one than ours, or if they had private health insurance that they would have a different care pathway?

I certainly struggled to find policy G1033, a policy that has historically been ratified by HSC, but find it I did. Sir, I assume all Deputies have read G1033 because if they have not how will they then know what the existing policy is and of course if this policy paper is not given assent by this policy then that is where we will revert to. When HSC have made it really clear that the *status quo* is simply unacceptable.

2010

We are advised in 12.5 that HSC and P&R will recommend to the States a more sustainable long-term funding solution. But what I would appreciate clarity on, sir, is that if that long-term funding solution is for HSC or just for one small element of HSC are we going to have a different tax revenue stream for drugs and treatments and a different one for doctors who will be diagnosing and prescribing it?

2015

So how else could we pay for it? Well future savings should be possible through transformation and savings targets that have been set. For example, HSC clearly state on page 6 they have not taken into account possible cost savings to existing services, and for the avoidance of doubt that could be transformation and not necessarily cutting services but of course service provision should be and is monitored and under review.

2020

Further, it is arguable that as we now have more preventative and early intervention policies so over a period of time, sir, you would expect to see fewer cases presenting. For example, cervical cancer preventative vaccines and screening which should show less demand for drugs and treatment for cervical cancer in the future.

2025

Yes, we will all be living longer but isn't the aim to live longer *and* healthier lives, prevention and early intervention is great but how about those of us who have missed out on the HPV vaccination, or those of us who have grown up being passive smokers in cafés, restaurants and bars unaware of the serious health risks of somebody else exhaling being blown into our lungs.

2030

So let's then consider if we are truly striving to be a happy place to live where nobody gets left behind. Or to quote the P&R Plan we will be amongst the happiest and healthiest places in the world where everyone has equal opportunity to achieve their potential. I assume that means the potential to actually live and to have a quality of life; it is difficult being healthy or happy if members of our community cannot access the drugs and treatments that give them a quality of life, life extending or even lifesaving.

2035

Of course some will not be lifesaving but then we do not have the Holy Grail, do we, sir? This is not about immorality, it is about the quality of life and life span expectation that our community can reasonably expect.

2040

How about if drugs and treatments allow members of our community to lead more normalised lives? How about if it enables them not to go blind, to be able to breathe? This is the reality of some members of our community who have come against the barrier of drugs or treatments not being on our White List. The drugs and treatments can literally change lives and allow some to reach normal life expectancy rates.

2045

But it is not only the health benefits, there are also social benefits, there are also economic benefits, as alluded to by Deputy Soulsby. A healthy community allows members of our community to work to their full potential.

In the words of Thomas Carlyle, a 19th century historian, for our debate of quotes today, sir, he said:

He who has health, has hope; he who has hope, has everything.

2050

So can we actually call ourselves a caring community, a progressive community, when we have such inequality and disparity of the provision of drugs and treatments, when we take away hope, hope that good health brings?

Deputy Ferbrache yesterday doubted there was a real link – or, I cannot remember his exact words, I am happy to give way to him – between wealth and health and I will refer him to some reading in due course but in the interim I have certainly, and many members of our community who think twice before going to the doctor in the first place and having to pay £50-plus for doing

2055 so. There is definitely in my world and the world of many of the community a disparity between health and wealth.

We are an affluent jurisdiction but I believe we fail to offer the quality of life drugs or treatments that are expected in less affluent communities. We just do not seem to get our priorities right.

2060 If we truly wish to be amongst the happiest and healthiest places in the world where everyone has equal opportunity then we must approve this policy paper today because otherwise those really are empty and meaningless words.

Thank you.

2065 **The Bailiff:** Deputy Inder.

**Deputy Inder:** Sir, this will probably take me less than five minutes.

2070 As Deputy Heidi Soulsby said, it is a substantial document, the officers have clearly done their work, the Committee has come back to the States in the required time and deference has been paid to Deputy Roffey and the signatories, amendments have been mentioned, and I just cannot see how this is going to take a massive long time to debate.

2075 The only odd thing, if I look at the Policy & Resources Committee is usually they are fairly strong on their views on certain things or at least would have told us that by a majority they are for this or against it, but there is nothing really in it. The only thing I see of any relevance in the Policy & Resources letter of comment is the penultimate paragraph:

Therefore, if this policy letter is approved a long-term funding source will need to be found. Whilst interim funding can be made available from the Guernsey Health Reserve (formerly the Guernsey Health Service Fund), this is only a short-term solution.

2080 I suspect Policy & Resources are resigned to the success of this policy letter. It just appears to me – and this kind of feeds into the previous policy letter on the fiscal framework, it looks like the Island appears to have got to the point where it is demanding NHS style services in a low tax jurisdiction and this just falls into the fiscal framework where clearly it cannot come soon enough in the next Assembly.

There are no amendments attached to this. I doubt there is going to be much resistance, and I would ask the Assembly just to get on and approve it.

2085 **The Bailiff:** Deputy Lowe.

**Deputy Lowe:** Thank you, sir.

2090 I support this States' report. I think it is a good report, but the recommendations I have difficulty with solely because it is a two-year lead-in. I would like it now. I mean why does it have to be two years? Who is going to actually talk about it? It is not straight away; two years, there is a difference – Deputy Soulsby is making faces there – but it is talking about being phased in about the costs and all I am saying personally is that we have so many different pots of money that really Health should be given that money to be able to get on with that work.

I will give way to you.

2095 **Deputy Soulsby:** Thank you, Deputy Lowe.

The phasing in – two reasons: one is, as P&R made clear in their letter of comment, we need to find the funding which is clear, but also practically we cannot do it now, we need to make infrastructure changes, have the qualified staff, actually change the way things are done and we just practically cannot do it right at this moment.

2100 **Deputy Lowe:** Thank you, Deputy Soulsby.

2105 You did actually say that you do need time to get staff and resources and everything else to go with it. But it is shame that we cannot actually do it quicker because it is just so wrong, isn't it, that we have people that are having operations outside of this Island or have health issues and they get the drugs outside the Island that they cannot get here.

2110 I mean that sort of message for me has been bad for years. Even, I have to say, when I was Social Security Minister I sympathised that we tried to keep the drug bill down; in fact we started the generic thing while I was there to reduce the drugs bill which was the first time it had been reduced in all its years' history by a million pounds working with the doctors. So I am hoping that actually generic will be looked at as well as part of this so it will not be an automatic one for just adding ones that they do use there which we have not actually got on our list in Guernsey. But to be able to give that reassurance to people in our community that we will do and replicate the list that they have got in the UK over here because I think we should do.

2115 But also there is another area here as well which I think is part of that, well it is separate really but it is more for Deputy Le Clerc and Employment & Social Security. I say at the time many years ago when we were looking at the cost of the drugs, we carried out that dump campaign and I have said in the States before I think we should do it again because when we analysed all the drugs that were actually returned to the chemist and to the surgeries it was astonishing the amount of drugs that had not been even opened. People had a prescription, they would go to the doctor, they would go to the chemist get the drugs that they had been prescribed and they were not even open, and it was a huge amount. I mean it was literally millions of money that were actually unopened packets of drugs. That all helps, I think. Again it is working with the doctors and educating the public. Unless you are going to open the drugs straight away do not actually go to the chemist to put in your prescription, hang on to it. So again I just think that that would help just to keep on top of that to see what is actually happening out there in the world of prescribing drugs.

2120 I mean Health could have an open cheque book, there is no doubt about that, because they will never be able to keep up with what is happening in the outside world, there will always be some trial going on and somebody here would actually like to be part of that trial which costs a huge amount of money.

2130 So I have a huge amount of sympathy with Health, it was very difficult. It has not changed from when I was on Health and before that when others were on health and now the same ones on Health have to face those difficult decisions of what they can fund and what they cannot fund. They are in a Catch-22 really because they would like to be able to have more on the existing to be able to help people but also look to do the transformation and they have not necessarily got the resources to do that.

2140 This is where I think we send out that wrong message as well where we perhaps at times have our priorities wrong in this States. Health should be at the top of the list because we should be able to look after our community. I am sure if you go out there and you say – I know I am going to get some vibes from my left here which I am prepared to do – but if you actually say to the people of this Island do you think it is appropriate that we put bits of tarmac and traffic lights in places that are not needed to the detriment of some, that money could have come out of capital and go to Health to be able to help people in our community for health, I do not think you would even need to hesitate where the outcome would be. I think sometimes we put too much money in capital when we actually should be able to balance more. When we have got the health nearly right for our community and we will never catch up but when we have got it in a better place I think that is the time when we actually go through schemes of nice-to-have rather than need or want as well plays into it.

2145 Thank you.

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**The Bailiff:** Deputy Prow.

**Deputy Prow:** Thank you, sir.

2155 I rise to support wholeheartedly all the six Propositions before that and I have to say I am very proud to be a Member of Health & Social Care.

2160 I have not got a great deal to add to Deputy Soulsby's very concise and powerful opening except perhaps to say this. In her opening she did pick out and highlight people that have helped with this Solutions for Public Health – I will come back to them as well but the one person that I would like to give praise to actually is the President herself. (**A Member:** Hear, hear.) I believe that where it has been a pleasure to work in Health & Social Care is the fact that we have developed and this States has agreed a Partnership of Purpose and this actually gels very much within the Partnership of Purpose and I think that that should not be forgotten and all I would like to do is to draw the Assembly's attention to sections 3.1 and 3.2. I will read a little bit of 3.1 where it says:

The need for a review of the funding arrangements for drugs and treatments was highlighted in the Committee's Policy Letter to the States in December 2017:

2165 And this is the Partnership of Purpose, so this is embedded and it fits in with all the key principles which were outlined in 3.2 – I will not go through them all because we have all read the policy letter – because the first one on the list is prevention, and the efforts that Health & Social Care are doing to try and improve the health of Islanders will hopefully actually reduce the need for reliance on drugs although obviously not entirely.

2170 The President mentioned Solutions for Public Health. Consultants do get bad press and, as the President said, often justifiably so but I am very grateful to them. If you read this well-researched and well-presented policy letter – I would say that, wouldn't I, because it comes from the Committee I serve – but if you look at it it is a very complex area and it indeed does deal with the complexities of how you fund and how you make very difficult decisions.

2175 But I found that in the consultation process and in the presentations given to us they were done in a way that were easily understandable and helped me personally as a States' Deputy through the process and understanding those complexities.

Deputy Inder, I think he is right; he has obviously studied the policy letter and to me – and again I would say this, wouldn't I – it is a straight forward choice. Let's grasp this opportunity, let's take on these Propositions and take this forward.

2180 Deputy Merrett mentioned the Health Equality for All group and also mention has been made of the requête. This is all part of the consultation and has been extremely helpful in the consultation with the public and bringing the problems that the Committee was aware of right at the beginning of this term to the fore and has helped us in being where we are today.

2185 With regard to the funding, we have as a Committee considered this long and hard and we have come up with what we think is an acceptable way to go forward.

There are going to be staffing issues with this, it is not just about the NICE drugs, it is about treatments and it is also about some of these drugs need to be delivered in a different way to perhaps some of the traditional drugs that we use.

So I think the phased approach is absolutely right and I urge this Assembly to support it.

2190 Thank you, sir.

**The Bailiff:** Deputy Fallaize.

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

2195 I suppose there are times when circumstances come together to make the adoption of a policy irresistible and I suppose these are the circumstances now. So probably no Member of the States is going to vote against this and I think it must be the right policy that patients in Guernsey should have access to the same range and scope of drugs and treatments and services as patients in a jurisdiction which in reality provides quite a lot of our health care, and Deputy Roffey, when he was laying the original requête, spoke of the example of a Guernsey patient and a UK patient in the same hospital in England receiving different drug regimes.

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2205 So I do not think there is any dispute about the policy. However, it is interesting because before lunch we were having a debate about the importance of matching income and expenditure and that it is not possible. I think Deputy Roffey talked about the de Lisle approach and I do not feel too bad for saying that because Deputy de Lisle later referred to it himself, but you just cannot carry on adding new services with considerable costs without increasing your revenue, because in the end you run out of money.

2210 Now actually that is what is proposed here. There is a source of funding identified for initially if there is legislative change to allow the Guernsey Health Reserve – if that is what it is called now – to provide funding, but there is no identification of any long-term funding and the sum of money involved – we are not talking half a million, we are talking millions and millions of pounds per year.

2215 So in a sense this is very unlike the Policy & Resources Committee. I mean 99 times out of 100 I think if a committee was to come forward with these proposals without identifying a funding source they would be alarmed and urging the States not to accept it. I think probably with the sum of money involved most States' Members would accept their advice. So I think we are now in a position where we have just come across this policy which is so irresistible that we just cannot conceive of circumstances where we would not fund it. But I think it is undesirable to be doing it in this way when there is no long-term funding source identified because it simply adds millions of pounds of cost pressures every year.

2220 The thing that really concerns me, referencing again the point I was making this morning, is there is no guarantee that the States will ever vote in favour of any revenue raising measures which would be necessary to fund this and other cost pressures. This is one of the cost pressures which was identified in that fiscal framework policy letter as requiring funding and yet no commitment has been made to do anything to raise the additional revenue.

2225 Now that is fine, on a personal level that does not bother me that much because I feel sure that it will be possible to identify ways of raising revenue that I would be prepared to support. But I do not have any confidence that the States collectively would be prepared to support them, and if the States do not and these commitments are in place then the money will have to come from reserves or from cutting other services. So there is something inadequate about doing it in this way.

2230 I think, like most States' Members, that the policy outcome is so irresistible it is just so inconceivable that we are not going to want to move to this place in relation to the funding of drugs and treatments and services. But I would urge the Policy & Resources Committee and the Committee *for* Health & Social Care to work together to come back to the States as quickly as possible to identify a funding source, because I think if additional revenue is going to be raised it is better to do it alongside the arguments for what it will pay for. Whereas here we have got a situation where the States have asked to raise the additional revenue, the benefits that the additional revenue will pay for will long since have been forgotten and dealt with by a previous States.

2240 I will give way to Deputy Yerby

2245 **Deputy McSwiggan:** Perhaps Deputy Fallaize could give thought to urging the Policy & Resources Committee rather than the Committee *for* Health & Social Care, because we did rather push that argument in the development of this policy letter.

**Deputy Fallaize:** Yes, okay, I mean it will be the responsibility of the Policy & Resources Committee but the issue is really it is the States that will have to grapple with it because it is not 20 grand or 100 grand that can be found through reasonable reallocation.

2250 At some point the States will be faced with proposals to raise very significant additional sums of money to pay for this specific additional service, and other additional services identified in the fiscal framework, and I really hope if the commitment to spend is going to be made today, which

is the right thing to do on a policy level, that there is going to be equal equivalent commitment to raise the additional revenue at some point in the months and years ahead.

2255 Thank you, sir.

**The Bailiff:** Deputy Langlois.

**Deputy Langlois:** Thank you, sir.

2260 I think it is time for a bit of grit in the oyster.

Deputy Prow was right, this is a highly technical policy letter, and in particular the supporting document by Solutions for Public Health, but there is obviously an extraordinarily thick emotional overlay on top of that technical document.

2265 On NICE's website their Chief Executive – this is about four year's old – but he posted a response in which he said:

We think we've found a balance that reflects what the public expect the NHS to do. Our independent committees use a threshold for recommending treatments of between £20,000 and £30,000 per [QALY]. We think it represents a reasonable compromise between ensuring everyone has fair and equitable access to the NHS and enabling access to new and innovative treatments.

Now he was responding to a Professor Karl Klaxton, I think he is from York, who was suggesting:

... that paying more than £13,000 per QALY for technologies “does more harm than good” by displacing other more effective healthcare from the NHS.

2270 Now, that ICER threshold of £30,000 per QALY is, as far as I am aware, the accepted NHS principle. Over the last 10 years they have introduced two other categories: one, End of Life Care where they up the ICER threshold to £50,000 per QALY; and more recently for what they call very rare diseases the threshold has gone up to £100,000 per QALY; but the key point is that the standard NHS threshold is £30,000 per QALY.

2275 So my question is why are HSC proposing that we adopt a figure, a threshold of £40,000 per QALY at a cost of millions of pounds from year two onward with the potential for increasing it further? That is my first question for HSC.

2280 The second question arose from the Solutions for Public Health's report in appendix 3. There they refer to the Health & Social Care's set of principles and processes formally published in that document G1033 that Deputy Merrett mentioned, it is entitled Priority Settings in Health & Social Care. In that document Health & Social Care set a threshold, an ICER threshold, of £30,000 per QALY for treatments that they might approve. In other words, Health & Social Care has got parity with the NHS. They do say that they will not fund treatments beyond £30,000 per QALY but that figure is exactly the same as the standard NHS one. So what my question would be is: what is the problem that is being expressed in this policy letter if HSC has parity the ability to approve treatments in the same way the NHS does in a similar way?

2285 It was interesting reading the Solutions for Health because they then ask the same question and on page 108 they say:

We do know that a number of the TA-approved drugs which have an ICER of less than £30,000 per QALY have been considered for funding and 'not approved'.

That is obviously a decision HSC, I assume, must have taken. Then further on, a couple of pages later, they actually ask the question as a heading on page 112, the heading is:

The reasons why some NICE TA-approved treatments are not funded

And there is an answer of a few lines but the crucial sentence is the first one which said:

This is due in part to the current principles and processes adopted by [the Committee for Health & Social Care]

2290 Now as I said, this is all highly technical and this is just me reading this but to me I cannot see what it is we are actually debating here if HSC has the ability... has given itself the ability to approve treatments up to the level the NHS would normally approve treatment. What is all this talk about disparity and inequity and people lying in beds in Southampton, if they are from Guernsey not being able to get the same treatment as English patients, if it is not simply part of HSC's processes and decisions rather than the criteria that they could apply to any particular case?

2295 I would like an answer to that because otherwise this just might be an attempt by HSC to boost their budget outside the normal budgetary processes. I will be interested in the answer to these questions because it came as a big surprise to me when I read this in the report.

2300 That is the end of my questions. The other comment I want to make is about the funding which I think, as I said yesterday, is very analogous to the situation we were in in 2008 where policies brought to the States with the idea that we were going to use a reserve to fund that policy for a few years until such time as we reconsidered it and brought in measures to address the deficit and to stop using the reserve. Of course that did not happen and that is not going to happen in this case either.

2305 That idea that we are somehow going to use the Guernsey Health Reserve just for two years until such time as the States comes up with another way of funding this additional cash, well I think we are just fooling ourselves, there is no way that is going to happen. We are going to end up using probably at least half. If the contingency reserve used in 2008 is a perfect analogy, we will end up using half the Guernsey Health Reserve funding this policy. We are not going to come up with some alternative. I find that alarming and I find that irresponsible but I predict that is exactly what is going to happen.

2310 But I will be listening carefully to what the President of HSC says about the current situation and why they had to come to the States to ask for an endorsement of what seems to be the existing policy and an increase up to something beyond the NHS's current ICER threshold.

2315 Thank you.

**The Bailiff:** Deputy Paint.

2320 **Deputy Paint:** Sir, I have looked at this and I fully and open heartedly support what is being proposed.

I look at things in perhaps a different way to other people but I think if it was any one of your families that did need treatment that would cost you would be fighting for this. Many people have needed treatments and drugs for various things and to deny it to them is ... We are elected here by the public to represent the public and the public comes first or should be first, in my opinion.

2325 I will not repeat what I said yesterday about how we can save money but I would like to add that perhaps instead of committees spending money they have gained through other ways other than their allocation, it was returned to the centre and then brought back to the core as it is today, these Deputies or future Deputies could decide what are the priorities and I am sure this will come first.

2330 We must not forget that we are here to represent the people and we must not forget that it could be us that would need these drugs.

I will just say again what I said yesterday and give you an example. We should not be trying to fix things that are not needed to be fixed, that has to stop to raise funds. One example is that many years ago the two cranes on the south side of St Sampson's were going to be demolished, they were condemned. The week before they were due to be demolished they put new windows in them, now what a waste of money. That process has not finished today. What has happened is that there is a tick box. This needs doing at a specific time, nobody goes to look at it. 'Oh, renew a road that does not really need renewing for thousands and thousands and thousands of pounds,. Well if you could get another year's life out of it you would save a lot of money.

2340 So please think about other people rather than what you would like to do because that is what we should be doing.

Thank you, sir.

**The Bailiff:** Deputy Roffey.

2345

**Deputy Roffey:** Thank you, sir.

I am not picking up a huge amount of opposition to this policy letter in the States. Certainly a very different atmosphere to when I started raising this issue several years ago in this Assembly. So that is delightful and maybe it means I do not really need to speak at all, (**Several Members:** Hear, hear.) (*Laughter*) but I am not going to be that sanguine. (*Laughter*) The opponents might still be being quiet and sitting on their hands so I will say a few things.

2350

Sir, I am enormously supportive of this policy letter, but I do have to take a gentle difference of opinion with one of the things that the President said in opening the debate. She said this policy has effectively been in place in its current form for the last 17 years; that is just not correct. It is true that 17 years ago Guernsey moved from having a Black List system where basically people could be prescribed and have funded anything that was not on that Black List to a White List system where it was closed and you could only prescribe something that was on the White List. I remember that very well because I was President of the Board of Health when we decided to do that. Looking now at the plethora of treatments available, it is amazing to think that at one time you could operate a Black List system and say that, but it was a different world.

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But for the first few years after that policy change, the policy on the ground was extremely clear anything approved by NICE which had far better insights on the efficacy of medicines and their cost effectiveness than anybody in Guernsey had was automatically added to that White List and we added a few extra treatments on top using our discretion.

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Now that policy, I accept, was never a written formal policy. In fact it is proof positive of how given it was and how we assumed that we would never do anything different, that we did not actually need to address that as a policy, it was just absolutely taken as read.

It was only really 10 or 12 years ago when the real financial squeeze came along and every single committee of this Assembly was really tasked with saving money in whichever way they can that that policy tightened up, and I do not really blame the HSSD, as it would have been at the time for doing this. I think it was a mistake but it is an understandable mistake: the pressure to save money was enormous.

2370

Lots of mistakes were made – some of them quite small like disastrously tinkering with bus fares and sending that service in the wrong direction, but none of them were as wrong-headed in retrospect as this particular policy change: well-motivated, tried to be cost effective, but wrongheaded.

2375

Of course at the beginning the divergence was fairly small because: NICE in those days did not probably approve as many new drugs for funding or treatments for funding as they do now; and secondly, it was only one, two, three years of those drugs coming on the list that there were differences. But it has grown over the years, as HSC say in their report, now to become quite unacceptable.

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Deputy Fallaize said that back when we were discussing my requête I talked about patients in Southampton Hospital. He is quite right, I was not stressing, I stress, trying to suggest that we should have more generous policies towards those patients we send off for tertiary treatment in the UK than we do those that are treated in the Island, it was just an example of how patently stupid it seemed that on the same ward in next beds you could have a Guernsey patient, an English patient and a Jersey patient, two of which clinician – actually you could have an Isle of Man patient because they have got a more generous system as well but they do not send them to Southampton so it is not a very good example – but certainly of those three it is only the Guernsey patient that would be denied the medication that the clinician wants to prescribe because he believes or she believes it is the most efficacious.

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Sir, we have heard a bit about whether these drugs are lifesaving. Well what does lifesaving mean? I have got news for Members: none of us are going to live forever. Yes, okay, if you mean

2395 not all of these drugs, in fact very few of these drugs, will actually completely cure the underlying  
condition so it is as if you have never had it and away you go, you are completely clear, then that  
is absolutely true – only a very small minority of these drugs will do that. But I tell you what, if you  
2400 have got a prognosis of living one year and suddenly a new drug gives you a prognosis of living  
for 10 years and not only that but without the horrible side-effects you had under the old regime  
and being well and being able to work or whatever that feels like lifesaving, but it is not  
technically counted as lifesaving under the definitions.

It is about quality of life as well and still being able to be productive members of society. There  
was a brilliant picture I thought in Tuesday's *Press* of an Aurigny pilot and a highflying finance  
worker walking along obviously full of life and vigour, both of them, if they had not been able to  
2405 have access to those drugs, one because they had private health insurance and one I think  
because they were on a drug trial, would have been in a very different state and looking very  
different indeed. I think this is no small thing.

Sir, I think this has been a scandalous situation for a number of years, so why didn't it initially  
provoke a political and public uproar? I think at the heart of this is the fact that despite the fact  
2410 that large numbers of people are impacted, and Deputy Soulsby pointed out more than 3,000  
people, really enough to care about, actually it flew under the radar for many people. Many of  
those people, even the patients themselves, did not know and many of them still do not know  
today that they are not getting access to the drugs that they would be entitled to if they lived in  
Jersey or the UK and which would be far better for treating their condition, because clinicians are  
not cruel, they do not come up to people and say, 'I am going to give you this drug but actually if  
2415 you were from somewhere else I would give you something better.' They just say this is the drug  
we are treating you with. So a lot of people do not know.

Even when they do know, frankly, many patients particularly those with debilitating or terminal  
conditions just do not have the time, the energy, the desire, or the bandwidth to get involved in  
political campaigning. Their focus and their family's focus is on how to survive the next few  
2420 months.

At this point I would like to join Deputy Merrett in paying tribute to some of those who have  
campaigning over the last year. I have come to know a number of them personally and I know they  
did not take the decision to go public lightly; many of them would have actually preferred to stay  
private about their conditions but felt so motivated by this situation that they felt they needed to  
2425 break cover and explain their situation publicly.

So the bottom line is that unless this is impacting on someone you care about and who knows  
it is happening and who talks out about it, then it is simply not going to register on your radar.

Sir, because I sort of initiated this campaign ever since I have started it I have had a large  
number of people open up to me and I can tell you, Members, that this situation is a classic  
2430 iceberg, the number of people that we are aware of and that we see is just the tip of that iceberg  
and the numbers below the surface are much bigger.

I could give you lots of examples, I am not going to, but I am going to give you one. It is not  
one of the ones I gave you at the time of debating the requête. A former long-serving Member of  
this States came up to me at a garden party about 18 months ago and he said, 'Peter I am actually  
2435 one of these people impacted in the way that you say. I am not able to get the drugs I want come  
round to my house, I will talk to you about it.'

So I went the next week and he said, 'Look, while I am here I do not want you to actually  
highlight this because I do not want a fuss around me in my last few months but when I am gone  
feel free to explain what I am about to tell you. He got called into Southampton – he had an  
2440 aggressive malignant melanoma – the first thing that happened is he had an interview with some  
clinician and a Macmillan nurse and they said to him, they gave him a briefing about what was  
going to happen. They said, 'Actually you are really fortunate, your condition, this sort of  
malignant melanoma, used to have a very bad prognosis indeed, but actually we are using these  
two new drugs recently licensed by NICE,' and they gave him leaflets. He gave them to me to look  
2445 at these leaflets – I cannot remember their names, they blur into one, all these fancy names– 'and

it has really transformed the outcomes of these melanomas and as a result you have a very good chance of a good quality period of life of some considerable duration.' Later on the clinician had to come up to him on the ward and say, 'Sorry, there was a mix-up, a breakdown in communication. The Macmillan nurses did not realise you were from Guernsey. We cannot actually give you those drugs we gave you all the leaflets on.' Unfortunately, I am able to tell the story today because that person is not here.

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Now know people say it is all emotion and whatever, what I am trying to show is that we do not ... I think nearly all of you know who I am talking about. When you know somebody it actually does drive it home far more than when you do not.

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Does this proposal go far enough? Deputy Lowe thinks it does not, it should all come in now and I agree with her to an extent that for those who will have to wait and may not actually have the time to wait, let's be honest, it probably will not feel like it is going far enough.

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But Deputy Soulsby, is right it is logical and the phasing is justified, not just on financial grounds; if it was just on financial grounds I would say do it now, but there are changes on the Bulstrode unit of doing it that are going to have to be made in the physical set up and the staffing, but not just that, a lot of the preparation of these treatments will go on in the PEH pharmacy, that will need to be radically changed in order to accommodate it. So I absolutely accept that this phasing, although I really wish we did not have to do it, is the sensible way to go ahead.

2465

Sir, what we have to realise is that this policy is not some sudden U-turn from stinginess in drug funding to being incredibly open-handed. Far from it, so I hope nobody will characterise it that way. Whatever we decide today, and I think we are going to pass this, the UK will still be a laggard when it comes to funding new treatments of this sort and we will still be more restrictive than the UK over the next few years, so we are not going to be at any cutting edge, that is for sure; no promised land, but it will be a massive step away from the current scandalous situation.

2470

I have often described this as a scandal, sir; am I really critical of the HSC Committee? Well, no, actually quite the opposite. I do confess I was pretty much cheesed off with the way I felt I was brushed aside when I started highlighting what to me was this unacceptable situation early on in this political term. I will be honest, sir, I felt the Committee at that time were being rather high-handed, dismissive and not seeing the real picture.

2475

I do accept that they always did intend a review of the funding of treatments; it was always planned but to me there was not nearly enough urgency and not nearly enough priority on this aspect. Of course I know prevention is better than cure but however many preventative measures we put in, people will always get seriously and terminally and critically ill and they will always need treatment.

2480

So 18 months ago, maybe still a year ago, I was feeling vexed with the HSC but today I really applaud them. I really do. Because having dispassionately reviewed the situation with the help of an excellent third party expert, they have accepted fully that the current situation is unacceptable and they are embracing wholeheartedly the need to reform. I would say there is more joy in Heaven but I do not believe the HSC were ever sinners so I will not do that. Instead I will just say that I really admire their current stance, their flexibility, and I thank them for it. They have shown themselves as a body to be open minded and listening (**A Member:** Hear, hear.)

2485

Now funding, and here I have to agree with Deputy Fallaize. When I started campaigning for this it was never my intention to say, 'Do it and we will find how to pay for it later on.' I was always looking for a package to come forward that actually both included the agreement to start funding these drugs and to have a funding mechanism to be able to securely do it.

2490

I totally agree that starting now and hoping piously that in a couple of years' time we will find a sustainable funding method is far from ideal. I am certainly not going to vote against it as a result. I am so passionately in favour of this and I am going to go with it and I will certainly support motions to bring in a sustainable funding mechanism. But it is a leap of faith and that faith may be misplaced though I hope it is not.

2495

2500 Sir, there is not going to be an end to health care rationing. There is, always has been, and always will be health care rationing, it will always be an emotional area. There will always be a need for hard-headed judgements and those people at the sharp end having to make those judgements will never be particularly popular for it. No one knows that better than me.

2505 But this situation, frankly, had gone beyond prudence; it had become unacceptable, it had become borderline cruel. That has now been highlighted, it has been accepted by those with responsibility for this area of policy. Today we have the chance to finally end what had become, in my view – I know some people think it is overly emotional language, but I think it have become – something of a national disgrace for Guernsey and I hope that we do so and do so by an overwhelming and hopefully unanimous decision.

**The Bailiff:** Deputy Trott.

2510 **Deputy Trott:** Sir, I rise to make it absolutely clear I do intend to support this policy letter, but in doing so I recognise unequivocally that taxes will be going up. Now that is the message that you heard from me this morning and that is the message I am going to repeat now.

2515 Deputy Roffey talked about there will always be health care rationing and of course he is absolutely right, it is almost impossible to imagine a scenario where we can provide equality of provision for all. When I was quoting from the fiscal framework policy letter this morning I deliberately excluded one particular figure that is in there because I wanted to wait until now. That is one-year prescription of a rare cancer drug the Health & Social Care Committee advise us could cost £530,000 per annum, so the idea that we will ever be in a position where that sort of expenditure can be expended on an individual is one that I personally cannot envisage.

2520 Now, sir, the letter of comment from the Policy & Resources Committee makes two very strong ... there are two very strong paragraphs and I will quote from both of them now:

While there is still some significant uncertainty about the ongoing costs beyond the second year, the extension to an ICER threshold of £100,000 to benefit the remaining 2-8% of patients increases the annual cost estimates by 46% to more than £12m.

Now clearly that is a journey that we are going to find difficult to resist. So I think it is realistic to expect that we will be at that figure in a relatively short period of time. Now:

Based on these estimates the cost per patient for those patients benefited by the further extension averages £27,000 per patient per year for the extension from <£40,000 to <£50,000 and £38,000 per patient per year for the further extension to <£100,000.

2525 Now, sir, it takes five people on average earnings contributing the entire tax that we take from them, £7,500 or so a year – five of them – to fund £38,000. You cannot get blood from a stone. So we now move on to the second particularly relevant paragraph and it is this:

To give an indication of the scale of this requirement to fund this item of policy alone at an on-going cost of between £8m and £12m per year, it would require an increase in revenues equivalent to a 0.5% to 1.0% increase in the headline tax rate, or a 50% increase in all TRP rates.

2530 Now that is the equivalent, sir, of Deputy de Lisle – I am sure he will not mind me mentioning him because he voted against the fiscal policy framework this morning – that is equivalent of him paying not £2,000 TRP on his farm but £4,000. So those are the sorts of numbers we are talking about should he choose, as I expect he will, to support this States' report.

So I repeat where I started, sir, I will support this unreservedly and I admit to some emotional attachment. However, I accept taxes will be going up as a consequence, so let no one be under any illusions whatsoever, as a result of our decision that will follow shortly.

2535 **The Bailiff:** Alderney Representative Roberts stood before.

**Alderney Representative Roberts:** Thank you, sir.

I was not going to speak on this because the whole Assembly actually seems in favour of it but I just feel I should say something from Alderney.

2540 It should not be forgotten that currently we have some 4,000 patients, local residents who have been identified as not getting the drugs or treatments Jersey or the NHS would recommend as the optimum treatment for their condition.

2545 If HSC policy letter is approved the unseen social, economic, mental health and wellbeing benefits to patients and their carers will be significant and it is not considered or accounted for in headline costs.

The headline costs are material and come with consequences, as P&R rightly point out. In year one the cost to the taxpayer will be £5.6 million benefiting 3,129 patients over 80% of the total number possible. As of 29th June, we had some 31,544 employed or self-employed taxpayers, including Alderney. Now some basic maths tells us that the cost to the taxpayer is some 49 pence a day but we think nothing of buying a coffee for £2.50 on the way to work – that is five times that amount.

2550 Year two, including the next tier of cost-effective drugs and treatments means the cost rises to £8.3 million, now benefitting a total of 3,751 patients, over 90% of those currently on sub-optimal treatments. The cost to the 31,544 taxpayers is now 72p a day. But the chance of one of those 3,751 patients being one of those taxpayers' immediate family is significant indeed. Who would not be prepared to pay 72 pence for the peace of mind that brings or indeed £1.05 to the final 8% of patients, many of them children who suffer from the rarest and usually the most expensive conditions to treat?

2560 Is achieving provision with England and Jersey so out of reach that we could dismiss it casually? Well obviously not, I get the feeling from the Assembly. Peoples' health and wellbeing must be rated at the highest scale. We have heard just how well Guernsey is doing at this very meeting. So Guernsey needs to do the right and caring thing and stop this current imparity with the UK and Jersey that many in the public similarly are not aware.

Thank you, sir.

2565

**The Bailiff:** Deputy Stephens.

**Deputy Stephens:** Thank you, sir.

2570 I have got a particular interest in palliative care and I did pose some questions to the Medical Officer of Health concerning how NICE drugs would impact on palliative care and I am going to read just two short sentences in the response I received, and I am very grateful to have had the support of HSC staff in advancing my understanding of what is a complicated technical and difficult issue to get one's head around.

2575 So if HSC do implement the NICE TA approved drugs by incremental QALY then as the QALY increases more and more end of life treatments will be included. Many end of life treatments have an incremental cost effectiveness ratio of between £30,000 and £50,000 per QALY. Furthermore, if one analyses the proposal of introducing NICE TAs by incremental QALY reaching £40,000 by the second year this would mean that 42 of the 92 currently unfunded NICE TAs would achieve a threshold for funding and these would relate to cancer treatments and this would impact on the end of life treatments that we could offer to service users. Now for me if I needed a game changer it was this response that did that trick.

2580 Now whilst Proposition 5 talks about the review after two years that focuses really entirely on financial considerations. But as NICE drugs are introduced, as I believe they are going to be, I think that the next HSC Committee could usefully consider the impact of the NICE drugs specifically in the context of palliative care on the Island.

2585 I also have an interest in community care and I also think that the impact of these new drugs on community care are worth monitoring.

2590 Now I was going to make a comment to assist Deputy Inder as he posed a query about PRC's views earlier on but I see he has left the Chamber. I am going to do it anyway. My view is, as was encapsulated in PRC's statement of 9th August 2019 where we said that PRC recognises that the gap in provision of drugs available in Guernsey compared to England is reaching a point where it is no longer acceptable; we then went on to comment on the funding challenge and we agreed with HSC that it was time for a serious conversation about how much and how much the community might pay and how that might be done.

2595 I do agree with those Members who have said that this is an emotional issue and I cannot in conscience vote to deny drugs and treatments to patients when the application of those might enhance their final months in end of life situations and so I will vote for all the Propositions.

Thank you, sir.

2600 **The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Sir, thank you.

2605 Sir, when he spoke Deputy Fallaize expressed concerns about future funding of this initiative and will services need to be cut in future or taxes need to be increased and how is this going to be funded in the future, and I share his concerns. Like many in the Assembly, I do not want to see services cut and I do not want to see any additional increases in taxes.

2610 Because what we are doing if we approve these Propositions is handing the problem of future funding over to the next Assembly. The next Assembly will have to identify where the funding is going to come from. So surely every candidate in the forthcoming Election will need to answer that question during their campaign. The question being: how do you think we can find the funds needed to continue with this drugs and treatments programme? I doubt if any candidate will say we need to cut services and we need to increase taxes. Quite the opposite, in fact, but I am sure the vast majority of them will have their own ideas about where the funds will come from without having to cut services or increase taxes.

2615 Now I will not be in the next Assembly because I am not standing in the next Election but I have every faith that the next Assembly will eventually become known as the best States ever, (*Laughter*) because if ever the community needed an Assembly to become known as the best States ever then it will certainly be the next Assembly.

2620 So I suspect and I hope I am pushing at an open door here. I urge my colleagues to support all the Propositions. The reality is, even though there are sometimes alternative and cheaper drugs available to the community, they are not the drugs they actually need and on top of that some of those alternative and cheaper drugs have horrendous side effects.

So please let's give the right drugs to members of our community who need them and, as the end of paragraph 1.1 tells us, let's:

... increase the availability of drugs and treatments to Bailiwick residents.

2625 Now on the issue of horrendous side effects I had a lot of experience of this when I was in practice as a complementary therapist working with clients who were taking prescribed drugs to address their condition that were not the actual drugs they needed because those drugs were not available to them. So they had to settle for drugs that did not really offer the relief they needed but because they were desperate for some kind of relief they took them and as a consequence many of them had to endure horrendous side effects.

2630 Now I fully appreciate, having said that, that a lot of drugs have side effects, but many of them do not. The issue here is to increase the availability of drugs and treatments to Bailiwick residents because then we give them choice and then we give them access to the type of drugs and treatments that they actually need.

2635 In closing, sir, as everyone knows, I was a signatory on the requête that was laid in December 2018 that prompted the amendment that was consequently laid by Deputies Soulsby and Le Clerc, and that requête of course was driven by Deputy Roffey. I want to put my thanks and appreciation



2690 potentially a bottomless pit, as it were, but escalating costs in this area will inevitably have implications for other areas within the Health Service budget in the future.

The question is: if we are going to spend potentially £12 million, as much as £12 million, in year four on this area, on NICE TAs drugs and treatments etc. if there is that £12 million potentially available, well, who is to say that actually the better use of this within the Health budget will be £12 million on prevention, on early intervention which is one of the key themes of the Partnership of Purpose, or indeed on mental health services, or community health services, or social care services. Prioritisation within the Health budget is a complex and difficult thing, but I do not think we should underestimate the potential impact on those other areas of health care funding in the future if this is agreed. As I say, I will be almost certainly supporting this.

2700 The point is that on the information and the evidence that we have actually got before us, in the very helpful policy letter and the other material before us, the appendices, we cannot really say either way what is the best use of these sorts of amounts of money.

The second point, which is perhaps delving into the detail somewhat but I would be interested to hear Deputy Soulsby's reply when she sums up. Paragraph 9.7 of the policy letter sets out how the introduction of the TAs will impact the health system in various ways and paragraph 9.10 indicates that additional resources will be needed for a number of things including, for example, drugs supply set up and management; additional diagnostic testing; palliative care and community nursing; special oncology scheduling software etc.

2710 But I just wondered, sir, how that actually squares with what is indicated at paragraph 10.9.vi. which states almost in passing that presentably unfunded TAs are already available to private patients – that is a point that has been made earlier on in this debate. So the costs that are envisaged and set out at 9.13, I just wonder how that is actually consistent with the fact that these TAs to some extent are already available for those with private health insurance. I would just like some clarification on whether that is actually consistent and how that can be squared.

2715 But nonetheless, sir, like others, like probably the majority if not everyone in this Assembly, this is a very worthy matter which I will be supporting.

**The Bailiff:** Deputy Oliver.

2720 **Deputy Oliver:** Thank you, sir.

I just have to declare a special interest in this because this will directly affect me within the first flush of waves. It is not just cancer treatment drugs that NICE effect, it is a lot of other ones as well with diseases that you can live perfectly normal lives but you need to take tablets daily, so I am really pleased and thank Deputy Roffey for bringing this forward.

2725

**The Bailiff:** Deputy Le Tocq.

**Deputy Le Tocq:** Thank you, sir.

2730 To make it clear, I shall be supporting the Propositions before us, but like my colleagues on P&R and I concur particularly with what Deputy Stephens has said and Deputy Trott, I think it needs to be said that this is not going to be an easy one to fund.

I think some comments that Deputy Paint made do need to be addressed. I can understand his feelings that if somehow we centrally came back with savings from each committee and brought it to this Assembly we could decide the priorities of what those monies could be spent on. But, sir, the answer to the question, 'Who should decide how monies are spent particularly in the area of health and medical care?' is according to the way in which this Assembly functions the Committee for Health & Social Care.

2740 Sir, I have reservations about whether if we had come at it from that angle and said you can have an extra x million whether they would have chosen to spend it in this area. That is the difficulty that we face, and if we as an Assembly are making choices of this sort on every individual

issue the danger will be that we ignore the bigger picture and we never take responsibility for those actions.

2745 Sir, I am married to a nurse who is involved currently in out-patients and so I am fully aware of the distress, confusion and frustration that occurs when particularly in areas such as oncology and pain relief, patients are treated in the UK and then see what those from the UK and from Jersey can access when ours cannot. I think that should make us want to change the situation to improve it.

2750 I think a phased approach is definitely the right approach but I also think that Health is going to face increasing pressures in other areas as we have recognised in other debates over the next few years. It may well be that the figures before us today will be dwarfed by other costs elsewhere, and so whilst it is absolutely right and I note the comment and the statistics that were brought to this Assembly by the Alderney Representative who quoted the information sent to us very helpfully from the HEAL group here. If it was only 49p per person that we were having to think about and that is all it took then I am sure we would have agreed to this a long time ago. But we have a number of very pressing needs as well and prioritising those is not easy in the round.

2755 But I come back to what Deputy Stephens highlighted as her values informing and persuading her to vote in a particular direction. When it comes to matters of health, matters of life and death, matters which enable members of our community to be able to be more active for longer then I have to support that, swallow hard and we will have to find ways in which we can raise extra revenues necessary for this and indeed other health issues that will be pressing upon this Assembly in due course.

**The Bailiff:** Deputy Le Clerc.

2765 **Deputy Le Clerc:** Thank you, sir.

I just want to start my speech with a slight correction of Deputy Le Tocq – my mind went blank then – because actually some of the funding and some of the decisions on health care actually take place within Employment & Social Security and we have got a substantial budget through the Health Insurance Fund.

2770 I remember very early in one of the first meetings I had when I was newly elected and I sat on the Committee with Deputy Gollop and we had a paper and it was about drugs, and every couple of months we would get this paper and it said these are the new prescription drugs that need to be authorised and some of them were really expensive and I remember one of them was £33,000 and again it was a drug that would extend life for six months and it came as a huge shock to me that that was part of the mandate of the Committee and I was going to be making those life or death decisions for the next four years. Deputy Gollop was there and he will remember me saying at Committee, 'Wow, I did not realise that I had this sort of level of responsibility at the time.'

2775 So I just wanted to say that a lot of decisions are actually made through ESS. We work very closely with Health & Social Care and again some of the perhaps higher funded drugs, now we work together, we have combined a panel so actually we get the Health & Social Care point of view on those drugs before we authorise them.

2780 But I just want to also comment on something that Deputy Merrett said about funding. So yes, that funding – actually the funding of drugs is split, the funding of drugs comes ... there is a fund for drugs that are prescribed through the Hospital and those are issued through the general revenue funding that Health & Social Care get and then there is the drug funding that is prescribed through the community and that is through ESS. That currently is £16 million-£17 million per year forecast for 2019, which is actually a 9.5% increase this year on our budget figure, so actually and I will come on now to some of Deputy Lowe's questions – the price of drugs after many years of being stable and actually reducing they are starting to increase.

2785 But what I would say in response to Deputy Lowe is that we have got a very good scheme called Script Switch which when a doctor goes in to prescribe there is an alert that comes up and it will tell the doctor there is a cheaper generic brand that they can switch to. Guernsey is very

successful in doing that. So I think the GPs are aware of the cost of drugs and they do everything possible to actually reduce the costs.

2795 With regard to unwanted drugs I think we are caught between a rock and a hard place on that because again when doctors only prescribe for three months or six months and require someone to go back to the GP, that patient then has to pay for the GP visit so that is a difficult one if they start to prescribe for 12 months there is a saving over the visits to the GP but actually that is when you often get unwanted drugs.

2800 But one of the other things that has happened we do encourage and this does happen that if a patient no longer requires a drug and it is still on a valid prescription they can just put a line through that drug and when they go to the pharmacy that pharmacy will not fill that drug. Everything is dated; sometimes I have been a little bit late in taking a prescription and actually again the pharmacies are very good, they will say, 'This is out of date, you cannot have your  
2805 prescription.' So everything is dated so you cannot go back with very old prescriptions and try and get those prescriptions filled.

So I think that was just a couple of questions that arose and I said to Deputy Soulsby that I would mention them.

I mean with regard to funding I think there is an inevitability that it is going to come out of the  
2810 Health Insurance Fund. We have got approximately £117 million in the Health Insurance Fund at the moment but if we look at these costs and if you ... I did some figures and if you look at just five years of funding these drugs without the additional £40,000 plus NICE TAs, I estimate that over half that £117 million will be gone in five years. We are already in draw down on that Fund. So five years' deficit would be £16.5 million and we must bear in mind that we have had no grants  
2815 from general revenue since 2016 and that is about £18 million. So some might say when they are voting here today that we have got the buffer of the Health Insurance Fund but we will go through that Health Insurance Fund like a hot knife through butter over the next few years. That is not taking into account some of the additional pressures that we are going to have on that Health Insurance Fund. As more and more specialisms come through I think we will find that we have  
2820 increasing costs of off-Island. We know that with the MSG again there is pressure on orthopaedics, there is pressure on anaesthetists, so again there will be those additional costs as well as our ordinary day-to-day drugs that are increasing because the drug companies, when they come up and are ready to come off patent they are quite clever, they add a new ingredient, change the name and therefore we are paying a higher price for those drugs.

2825 Sir, I just want to point out that I will be supporting this but I think we have to be very aware that that difficult conversation on funding is going to come.

I will give way to Deputy Trott.

**Deputy Trott:** Thank you.

2830 I am grateful to Deputy Le Clerc because in a typically professional speech she gets straight to the point.

But can she also confirm that the Long Term Care Fund, which also of course comes under her scrutiny, is likely to be around £20 million a year short as well. This is why talk of the cost of a cup of coffee a day is particularly unhelpful because it suggests that we should be looking at this in  
2835 isolation. Of course we cannot, we must not, we should not, and I will not.

**Deputy Le Clerc:** I agree with Deputy Trott and the ESS Committee are currently looking at a SLAWS paper. The reason it has taken so long for us to come back to the Assembly is because all  
2840 the solutions are probably unpalatable to this Assembly and I think it will be a precursor to some of the debate that we are going to have next year or the next Assembly will have on the paper that we have just debated there. But, yes, that Fund is under pressure as well.

But I will be supporting the paper. I think it is the right thing to do. I laid the amendment with Deputy Soulsby and I hope that others will support it as well, but we need to go in with our eyes open.

2845 **The Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you, sir.

First of all, I would like to thank the requérants for getting us to this position so, all seven of you, thank you very much because it is something that I did not pick up on, how big the discrepancy was, so I do thank you.

2850 We have spent a bit of time this morning looking at the long-term horizon and that is probably where I am going to just touch on. I am fully supportive of the proposals in front of us and will be voting for them.

2855 But just picking up on page 34 and paragraph 11.2., if the President when she sums up could just let us know what is of equal need or greater priority that is coming down the tracks in Health that she can see already because we have got some idea of this but I know there are terrific pressures on other priorities which Health would almost prioritise ahead of if they could but would want everything. So just some idea of the mental health issues and some of the areas where we need to spend some money would give us a little bit more of an overall picture of what we are going to be looking at and that really touches on what Deputy Trott was saying this morning. We have got to try and look at these things holistically and in combination and not be picked off, and this is the first one which we are almost being picked off by.

2860 Fully supportive of it, we have to do it, but I think we just need to have some recognition of what else we are going to be facing and then we as a community can, I do not think decide whether to do it or not, I just think it is which pocket we are going to go into to do it.

2865 Thank you, sir.

**The Bailiff:** Deputy Dorey and then Deputy Brehaut.

2870 **Deputy Dorey:** Thank you, Mr Bailiff.

I would just like to follow on from Deputy Le Clerc's speech because she mentioned about the Guernsey Health Service Fund but the decisions that were made in June of this year was basically that the Guernsey Health Service Fund is disappearing, it is going to be the Guernsey Health Reserve which will come under P&R's responsibility.

2875 So in some ways funding it from there is acceptable because that was money that contributions have been made which were specifically for health benefits and the money relating to that fund, as she said, was to fund pharmaceuticals for the community which were non-Hospital prescribed ones and also to fund MSG there is also the grant to seeing the doctor or the nurse.

2880 So in some ways using that money is a fair thing because it is money specifically which we have collected from the population for the purpose of those ... It is stretching it a bit so from an initial funding situation I am fairly comfortable.

2885 You could also say that, as she mentioned, the post Zero-10 which has come up a few times in the previous debate or previous but one debate, the agreement was that 12% of contributions into the Guernsey Health Fund would be paid by a grant from general revenue into that Fund and, as she said, that money has not been paid.

Looking at the October contributions policy letter, it told us that that grant should have been £5.2 million. So effectively general revenue has £5.2 million that it was contributing into health services which it is now not, and it was in this hypothecated area of specifically for those contributions.

2890 So looking at funding, if we are going to be fair and continuing with what we were doing in the past and which was a grant going in, that there is in today's values £5.2 million that should have been going into the Fund which could be then funding these additional drugs in the long term.

2895 There is also the money in what now is the Guernsey Health Service Fund but will be the Guernsey Health Reserve so there is effectively a funding mechanism. The problem that we have is that £5.2 million has been used for other matters so we are going to have to make that up.

I support what is being proposed. I think we have got no choice other than supporting it. I think if we go above £40,000 ICER value we need to look at it again, whether we are making the best use of public funds. But for year one and year two I am comfortable with the proposals. I am comfortable that there is funding for it. If we got to £12 million then we would seriously have to look at how it is going to be funded.

In my view I thought we had an excellent system of Social Security contribution, we have still got that system there is still £28 million which is effectively going into general revenue which would have gone into the Guernsey Health Service Fund but some of it has been reallocated to Guernsey Insurance Fund but there is still money going ... So I think just as when we introduced the medical specialist scheme we had something which was paid for by the general public and we then put it into 'been paid' – they made a contribution and it was funded from a central fund. I think we would have to then go back to where we were before. Perhaps we should go back to Guernsey Health Service Fund and have it in my view.

But a hypothecated payment into a fund based on Social Security contributions I think is the best way. I think what happened with the contributions into pharmaceuticals is it was only paid by people who were working. The additional contributions which were paid into MSG was paid by everybody.

So I would have thought that if we are trying to fund it fairly in the future I think we should increase Social Security contributions to everybody including the people who are working and the people who are retired and I think that would be a fair way of doing it. That will be consistent with what we did with MSG funding and also long-term care funding.

So those are the long-term methods of funding so I am comfortable that there is a long term way of funding. Yes, the public would have to pay more and I think that will be part of the debate we have in two years' time when they come back. Because whatever we are going to give to people I think we have to have a funding method. I think as others have said it is a mistake not having those two with us today, but I am sort of comfortable with it because we have built up these considerable funds in the Guernsey Health Service Fund and we have also not been paying this grant. So there is a good source of income in the short term or a good source of funding, not income because it is a closed Fund, the Guernsey Health Reserve, once it has been transferred over because there are no contributions going in, there are just drawings coming out of it.

So if we have got some money use it but then in the long term I think it should be funded from Social Security funding.

That is my view and I will be supporting the policy letter.

Thank you.

**The Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Thank you very much, sir.

I think the positive thing about debating this next to the fiscal framework is we thankfully, hopefully, have moved away from this idea that you can dispose of a couple of civil servants, you can stop employing external consultants from wherever they are and in some way cover these costs.

I commend Deputy Trott's candour in his speech where the linkage ... this is a taxation issue, the acknowledgment that if you are going to spend more you are going to have to get it back from somewhere else. I think it has been healthy debating the fiscal framework before this policy letter.

I also want to commend Deputy Roffey on an excellent speech. It really was an exceptional speech and his very warm and generous remarks towards Health & Social Care I thought it was an exceptional speech.

I have to say when he did initially approach Health & Social Care he did get a response as if he had asked them to tidy their room, or do their homework, or something of that nature. But, no, I think there has been some awareness and reciprocity between both parties and I think it is very

positive that we have got to the position we are today in a report that most people or hopefully everyone will support.

2950 I just want to make a point: it may seem obscure and tangential but it is not. In all of the policy we consider when we consider healthy lifestyle, Partnership of Purpose, when we talk about active travel, it means a healthy active community. If you get in early you do not have the expenditure later on. Yesterday when we spoke of infrastructure people acknowledged that there was a need to spend more and yet in the very next debate people are saying, 'Well, you do not really need to  
2955 maintain a road if you do not have to and why are you laying tarmac or whatever?' The fact is if you get the infrastructure right it encourages people to walk, to cycle, to have those more active lifestyles. So the linkage is obvious and it does not help sometimes when we separate these things out, because there is one collective aim.

But I will be supporting this policy letter.

2960 Thank you, sir.

**The Bailiff:** Deputy Leadbeater.

**Deputy Leadbeater:** Thank you, sir.

2965 Last time we debated this topic in the Assembly my speech was directed at our ignorance of the problem Guernsey is facing with the abuse of prescription drugs.

Well, sir, today I would like to thank HSC not just for this policy letter which I fully support but for the work the Committee is doing in reducing the amount of prescription drugs making their way on to the black market. Prescription of Fentanyl, an extremely deadly drug, has fallen  
2970 drastically and it appears the diversion of this drug onto the streets has been reduced significantly.

Sir, as well as NICE TA drugs there are a growing number of local patients wanting to try medical cannabis for their condition. The issue is that although our legislation permits the prescription of medical cannabis, the criteria for accessing it is extremely narrow.

2975 There are a few conditions that medical cannabis can be prescribed for but even in these cases you need to demonstrate that you have exhausted all other drugs beforehand. Why? There is no logical reason for having to try often addictive drugs with horrendous side effects before you can be allowed to use a natural plant remedy that humans have used for medical purposes for thousands of years.

2980

**Deputy Tindall:** Sir, point of order.

**The Bailiff:** Deputy Tindall.

2985 **Deputy Tindall:** Sir, if Deputy Leadbeater is going to speak about this I think he should have declared his interest before he started his speech in accordance with the Rules.

**The Bailiff:** Does he have an interest?

2990 **Deputy Leadbeater:** Sir, I would have declared an interest if I had one, but I am not involved in medical cannabis. I am involved in a CBD company which is completely separate, so I apologise. If Deputy Tindall wants me to declare an interest for that I will and I apologise to her.

Sir, I believe that Islanders should have a choice when it comes to their own care pathway. Patients that believe that their medical condition could be eased by the use of medicinal cannabis should have the option to try it right from the start. (**A Member:** Hear, hear.) If this policy was  
2995 adopted tomorrow I believe that we would see many patients with improved health and at a cost nowhere near that which we have to pay for some prescription drugs.

Sir, while I am fully supportive of HSC and the policy letter we have before us today, I would like to hear from the President whether or not her Committee would consider re-examining the

3000 policy on the prescription of medical cannabis with a view to making this exceptional natural  
medication an option for all and not just for a few.

Thank you, sir.

**The Bailiff:** Deputy Gollop.

3005

**Deputy Gollop:** Yes, I am certainly interested in Deputy Leadbeater's point on the cannabis. I  
certainly have no interest in that apart from that I Walked for Weed.

Deputy Trott was perhaps challenging one Member who earlier was fiscally flippant about the  
cost of a cup of coffee in relation to the cost of this per capita. Actually of course a friend near me  
3010 pointed out that of course coffee and cola and all those things are drugs as well, but we are  
talking on a different area.

I know Deputy Le Tocq preaches to the converted a bit but he is quite head-masterly in the  
way he assumes that all of us think in the same way. In reality I quite like to tinker, I like to  
micromanage, I like to look at one issue at a time, and I think it is much easier to do politics in the  
3015 way we do it without a cabinet, without a policy council in that way.

I said earlier today and I do not think Deputy Fallaize heard my speech or if he did he did not  
think it was very interesting perhaps. But I said the point he raised this afternoon that actually the  
best thing to get fiscal innovation in our system is to just go on spending and spending and then  
one day find there is no money and then you have to make a decision. So for that reason alone I  
3020 would support the policy letter today, although I do actually think, for the reasons Deputy  
Ferbrache and others have said, that if the people in Rochester or Rainham or Rochdale or  
wherever are entitled to these drugs then so be it.

The only area perhaps I have a slight nuance of disagreement with Deputy Ferbrache would be  
that he is always saying some of us do not know how to make money and just look for money  
3025 trees out there and so on and so forth. The thing is though in a way, and I might be chastised for  
saying this, it is not our job to make money as States' Members because we are generally  
regulating and promoting social, public and security policies. We do broadly speaking rely on the  
private sector to generate the scale of the economy necessary to pay. Whether there are  
regulatory things we could do to improve the private sector is perhaps another argument.

3030 Actually Deputy Inder made an interesting speech today because he accepted, I think like most  
of us, the inevitability of going down this route but said if the Guernsey public are beginning to  
look around and say, 'Well, we are entitled to exactly what Jersey are having or exactly England,  
Scotland, the National Health System is providing,' and some might even look to America or  
France or Scandinavia or wherever, then that is a profound question he raises, because it is about  
3035 our resources and the whole fiscal context.

Because at its worst the Island is kind of expecting almost a Scandinavian or an English model  
of social provision on an offshore tax base and that is not a particularly easy circle to square. I will  
leave that there for the moment. Although Deputy Dorey kind of alluded to it as well, I will come  
back to that.

3040 Deputy Le Clerc announced how shocked she was when she sat down for the first time next to  
me – well that possibly shocked ... (*Laughter*) at the board meeting and actually of course none  
other than former Deputy Chief Minister Allister Langlois, a very respected figure in public life, was  
also, I recall, surprised, because we were all wondering – I knew to be honest, one of the reasons I  
stood for the board was I knew it actually was a quasi-health authority and I thought we needed  
3045 greater input into the health process because it was confusing in the way it intermingled and  
intermixed. But what many board Members specially those unlike me who had come from a solid  
corporate governance or private sector background found rather discomfiting was that  
Members were being asked – lay members, in a sense – were being asked to make decisions,  
almost life and death in a way, on highly biochemical, medical, scientific arguments, and we did  
3050 not have an obvious judgemental criteria for making the yeses or noes and that was lacking and I

think Deputy Roffey has finally stepped up to the plate and has given us with the requérants and now the input of Health & Social Care, the tools for the job.

3055 I must admit I remember years ago when we were at one of these internal Machinery of Government debates one redoubtable senior Member said we cannot abolish committees or reduce the number of committees because that would mean many States' Members would have nothing to do, and then he said, well, we cannot reduce the number of States' Members because committees would not have enough Members. It was a circular argument and I think we have seen the same circularity of thinking with Health & Social Care perhaps before the Partnership of Purpose era.

3060 Because the feedback from those committees tended to be, 'We cannot possibly give the same rights or services or drugs as England because we have not got the budget,' and as Deputy Roffey and others pointed out, we artificially constrained the Health budget in the last few years when even the Rt. Hon. David Cameron was increasing health at a higher inflation rate.

3065 But the argument from social care committees was we cannot spend more on health because we have not got the money but we are not prepared to necessarily ask for the money or change our fiscal and economic input to the supply side of the money. They get nowhere that way, because you either have to have the discipline to support fiscal conservatism or not, you cannot have it both ways.

3070 Although I do have to say that generally speaking the electorate find the most palatable message of more and more public and social services but no more taxation or increase in charges, and that is a popular message from many people.

3075 What is perhaps a less popular message is the reminder that Deputy Dorey gave and of course he was Minister for Social Security, as was Deputy Lowe, in an earlier period that we have got rather confused I think financially on this because here we are going to approve, what is it, year one and year two from general revenue without an obvious base to do so from and then three and four from the Health Reserve Fund that somebody said they were critical, that perhaps it had not risen as far as it could have done.

3080 But the thing is when you set out the Social Security system, we had and still have a Health Fund which pays for pharmaceuticals, various treatments, Medical Specialist Group, physiotherapy. The obvious thing to do in my view would have been for this Committee or previous committees in conjunction with Policy & Resources to come to the Assembly and raise by a little bit the percentage rate on the Health Service Fund and that Fund would have been extended to have provided hospital pharmaceuticals as well as prescription pharmaceuticals.

3085 We have abandoned that philosophy which did serve the Island well for 20, 25, 30 years in a way. We are in the territory of the unknown, the vague philosophy of a health tax. Whether that will be acceptable to the public who knows, but that is why we are in this situation and that point has to be made.

3090 I agree with much of what Deputy Le Clerc has said about – well I do entirely agree – how diligent we as a board have been in restraining expenditure over the last one to eight years and the professionalism that we have been advised which actually kept the cost of drugs down, because Deputy Lowe has a point about the need to prioritise health.

3095 But then again we are faced with the uncomfortable statistic – was it Deputy Trott who reminded us this morning? – that a prisoner in a certain context might cost £40,000-£45,000 a year. We happen to have a very well managed Home department but you could argue it is a silver service, our Law Enforcement and Justice Division. Maybe it has to be but you cannot just say we will prioritise Health because we might be prioritising Home as well.

I will give way to Deputy Dorey.

**Deputy Dorey:** I thank Deputy Gollop for giving way.

3100 But in June when the proposals were brought by P&R about changing the Funds he supported them, and I was the only one who voted against getting rid of the Guernsey Health Service Fund. One of the precise reasons why I voted against it was because I knew that this was coming up and

therefore I thought it was far better to keep that Fund and we have lost it now. Well that is what the Assembly agreed to, and we have just got this Reserve which we are going to draw down on.

3105

**Deputy Gollop:** Deputy Dorey makes a fair point but as you know I am sometimes persuaded in a group loyalty to support the Social Security but I did say at the time I had reservations.

3110 But there are of course other more prudent reasons for supporting this approach, because as has been pointed out, I am sure Deputy Dawn Tindall will remind us too, there are much greater costs around the corner with the Partnership of Purpose, preventative care.

3115 There was an excellent point Deputy Le Tocq made that maybe this or a former Health Committee might not have prioritised this as top of their list. The other factor that Deputy Trott and other Members have alluded to is we have been working diligently, as Deputy Dorey knows, on SLAWS and long-term care issues, and indeed one option that Members can think about or do is inevitably going to be an increase in social insurance rates. Now if you have too many rises all at the same time that will be argued by some as affecting the economy, but of course I would argue that most taxes affect the economy so it is perhaps unwise to pick one out over another.

I do support and I have always supported people with disabilities, people with illnesses, and the campaigners who work so hard to give us information and time.

3120 One point that I do not know if anyone has raised so far and there is probably a lot more of it behind the scenes but if one looks at Proposition 1 of the Committee *for* Health & Social Care we are:

To agree, in principle, that the States of Guernsey should adopt, on a non-statutory basis, a policy of funding drugs and treatments ...

3125 I am not sure I like the non-statutory concept because one of the problems that actually is a vein through the Equality & Disability workstream and my many years of going to Guernsey Disability Alliance meetings and meeting umpteen Chief Executives of Health & Social Care and their predecessors was that, unlike in some other places, it is very hard for an aggrieved patient or consumer or service user to get access or a legal or political remedy to get the treatment they believe that they need and non-statutory perhaps gives it too much voluntarism and a certain amount of discretion that I think will not necessarily prove to be robust in the longer term.

3130 So that is another consideration. I have already touched I think on the nature of the funding mechanisms and how I think I agree entirely with what Deputy McSwiggan said earlier that we have rightly pushed ahead with the urgency of this argument though we have missed an opportunity to blend it in with budgetary fiscal policies, whether they be along the lines Deputy Dorey would have liked to have seen or perhaps some form of other taxation.

3135 I mean I am not going to propose a paid parking tax but I always used to think that paid parking would be more palatable if the money was used for health care than for perhaps some other initiative, but that is a different argument.

3140 So I think that we do have to support this policy today but I think it is only part one of a longer conversation and we also have to look at how the Partnership of Purpose actually can use the new approach in the most effective way which perhaps would see more patients treated on Island or maybe working jointly with Jersey or some other because perhaps patients recovery will be improved not just by the use of these lifesaving or stimulating drugs but by a wider package of flexibility and patient support and care

3145 **The Bailiff:** Deputy Tindall.

**Deputy Tindall:** Thank you, sir.

3150 Deputy Prow advised the Assembly that we on HSC have thought long and hard over this. I could not agree more. This is because I did not find it irresistible, as Deputy Fallaize said, or embrace it wholeheartedly, as Deputy Roffey also said. I have to admit I struggled to agreeing with these Propositions. So I want to thank the amazing staff we have, who are truly experts,

3155 together with the excellent authors of the report, but also especially my colleagues on HSC, including my colleague who is no doubt listening to this debate on the radio, Deputy Tooley, I thank all of them for bearing with me while I asked a lot of questions and grappled with my conscience out loud in committee meetings.

I have to say this soul searching was not because of a lack of empathy with those who will benefit. I am sure no one here has not gone through heart wrenching pain watching others suffer. I worked for many years supporting patients in the UK with their fight to get NHS support, benefits to live on, and getting social care. Whilst there is funding for the short term I had concerns because without allocated funding in the long run I believe there is a risk that ultimately this decision will not be in the best interests of all our community.

3160 There is of course clear benefit to those who will receive these drugs and treatments, but what will be the effect to those who benefit from other types of drugs and treatments which may not be funded in the future?

3165 The service developments which will benefit the whole of the community could be put in jeopardy by decision even in principle if further down the line money is used to meet the obligation to fund NICE TA approved treatments but taken from the initiatives which are intended to prevent the need for such drugs in the first place.

3170 For example, in year two an ICER of less than £40,000 per QALY is recommended to be introduced and therefore those with recurrent or stage 4 cervical cancer would automatically be eligible for intervention No. 183. Whilst for those few who it would be life extending but those who would otherwise have been caught through cervical screening may not if that screening is not funded. This to me was the dilemma I was facing.

3175 I hope and beg those who will be in the next States that the emphasis on the Partnership of Purpose on prevention is not forsaken for funding life extending treatment. As Deputy Paint said, it could be us, it could be any one of us, but it is far more likely to be all of us who would benefit from the HSC spending on preventative methods.

3180 There is no doubt that the policies G1033 and G1002 are faulty, misunderstood and in need of an overhaul. But I also agree with Deputy Langlois, as that was my starting point why could our present process not be changed to enable a fairer, more transparent approach. However, I finally came to the conclusion that whilst fairness to one group may jeopardise the fairness to others I was persuaded to support the Propositions.

3185 There is going to be very little appetite in fighting a policy which is about the quality of life of those diagnosed with terrible illnesses, especially one which does not have the counter argument front and centre and does not highlight the day-to-day effect on those who will be paying for this treatment and certainly not those whose health is effected because the funding for the treatment that would save their life is not funded.

3190 I have to refute the timeline also at this point that some Deputies have articulated through the excellent leadership of Deputy Soulsby, HSC had already identified the need for a review over a year before the requête was debated, as set out in 3.1 of the policy letter. It reminds us that the need for the review of the funding arrangements for drugs and treatments was highlighted in the Committee's policy letter to the States in December 2017, a Partnership of Purpose, transforming Bailiwick health and care.

3195 As I arrived only on the SC Committee in 2018 I saw the work being undertaken to ensure that this review was done. First before any predetermined outcome as required by the requête. I am not in any way belittling the hard work of the Deputies who led the requête or indeed those who told us their heart wrenching stories, but I am glad that we are sitting here with the benefit of the outcome of HSC's research to have this in debate.

3200 I, however, do not agree with the plaudits either given by Deputy Roffey or NICE. It is led by big pharma and they do not necessarily approve or even ask to consider the best type of treatment and certainly do not cover preventative medicine.

Deputy Prow, rightly, said that prevention will remove the reliance on NICE TA approved treatments. I agree and, as Deputy Gollop mentioned – I think he was the first one – and I do

3205 apologise to Deputy Soulsby for arriving a little late so she may have mentioned it in her opening speech, but as far as I am concerned this to me was an extremely important point, one of many, that got me over the line and that is this non-statutory nature of the proposals. It means there will be an ability to benefit from the assessment of similar treatments. At 1.12 the policy letter states:

A non-statutory approach to drug funding will enable the CfHSC to continue to benefit from the best aspects of its current processes and retain flexibility in its decision-making processes to ensure that it is able to access the most clinically effective and cost-effective treatments.

3210 Any of us who become ill or have someone close to us suffering would want the best treatment. However, I would like to point out that ironically that may not be one approved under a NICE TA, it might not even be one available in Jersey or the UK; although surprisingly it might actually be one that could be approved by Guernsey under our current regime. It is therefore so important to ensure the options are kept open to give the best to our community.

3215 Deputy Trott says the taxes will go up as a consequence. I hope so because if the next States do not raise the funds and do not supplement HSC's budget then there will be others who will not benefit and who will suffer and there will then be a call for equality for those individuals.

3220 So having had this struggle I agreed to support unanimously the Propositions in the policy letter which clearly I think may well go through unanimously in the States as well and there will be, as I said this morning, this leap of faith necessary that not only the next States will provide sufficient funding, but in all seriousness we have an HSC Committee that will also fight the corner for the others who will not be eligible and will not need those NICE TA approved drugs but will benefit from others and that funding will be there for those as well.

Thank you, sir.

**The Bailiff:** Deputy Laurie Queripel.

3225

**Deputy Laurie Queripel:** Thank you, sir.

I would like to start by wholly supporting the points made by Deputy Leadbeater in regard to medicinal cannabis.

3230 Now a couple of months ago I wrote a letter to the Health & Social Care Committee. Admittedly, it was a long letter so perhaps they have had no time to read it all yet but about asking them to clarify their policy in regard to medicinal cannabis, but not only to do that but to revisit it in the way that Deputy Leadbeater has suggested. So I hope at some stage I will be receiving an answer to that letter, and I am sure Deputy Soulsby will tell me so when she responds to debate.

3235 But also I was a signatory to the requête so it must be clear that I am going to support what we have before us. But I just wanted to make a suggestion and it touched on something that Deputy Gollop mentioned but it is in a more specific way.

3240 Bearing in mind if this is approved we will be quite closely aligned to Jersey in regard to the NICE drugs and treatments and products that could be available to Guernsey residents, Guernsey patients. I am sure Deputy Soulsby is going to tell me it has done, but have any negotiations taken place with Jersey in regard to the combined purchasing of the drugs and the treatments and the medications because it seems to me that this is all about scale and if Jersey and Guernsey could work together and have a sort of purchasing partnership, which would fit in quite nicely I think with the Partnership of Purpose, it might just result in perhaps us being able to acquire some of these drugs at slightly less cost. So I just think if there has been talk with the Jersey Health Service, if that kind of thing had been considered that we go into a sort of where our requirements are matched, we go into a sort of purchasing partnership perhaps to get the cost of these treatments and drugs down a little bit.

3250 Also I think at times even though it seems as if the Assembly are going to approve this policy by an overwhelming majority there can be a sort of negative spin put on these things, a bit like the negative spin that is put on the demographic situation.

3255 We sometimes hear this perfunctory, 'It is good that people are living longer *but ...*' and then they are given a whole list of reasons why the demographic situation and people living longer is a problem. But actually there is also an upside to having an older population. Not only do you have a great deal of a library of knowledge and experience, their life experience and knowledge, but as we have heard quite recently there are more people working now over pension age I think than we have ever seen before.

3260 So our older population ... there are many members of that population who are over retirement age who are actually now working. Also older people are often the folk that look after their grandchildren while their children go out to work and contribute to Guernsey's economy. Of course we had the debate yesterday about charities and it is often retired people that work for these charities that are of great benefit to our Island that help to deliver the services that we deliver to our community.

3265 I think it is the same with this issue before us today. I do not think this will be what you might call a sunk expenditure, this is an investment in people. If people who are suffering with various conditions can be prescribed drugs and treatments that are more suited to them that create better outcomes it is far more likely that those people can be or can return to being economically active. It is far more likely that they are the people that, perhaps if they are older people, they can then start to do this caring work for their grandchildren while their parents go out to work. These are people that might be able to get involved in charity work if their situation and their conditions can be sufficiently improved. So I think this is an investment. There will be a return on this as far as I am concerned.

3275 The other return I think there will be is I am aware, just as Deputy Lester Queripel is, of people who are taking drugs that have appalling side effects and in the end they are taking additional drugs to counter the side effects of the drugs they are taking in the first place. Now if that kind of thing can be reduced by people getting better quality drugs and having better outcomes that surely must create some kind of saving as well.

3280 So this is not all about expenditure, it is actually about, at least in part, investment in people that will improve their quality of life that might mean they can be more economically and socially active. So there is an upside. There is a return besides the fact that people might end up in – and as Deputy Roffey mentioned *The Press* article from a few days ago .... There were two chaps – now if they could not have accessed the drugs that they have accessed privately would they be doing those jobs, would they be able to work today, would they be doing those jobs that they are doing today? The answer is probably not.

3285 So there is a classic example there straight away: if people can access the right treatments, the right drugs, they are more likely to be socially and economically active and it is certainly going to improve their quality of life and it might well reduce the side effects that they suffer from other drugs and it might well reduce the need to give them drugs to help them to combat those side effects.

3290 So I think there are all sorts of good things that come out of this in regard to it being investment not just being expenditure.

So, sir, I wholeheartedly support this policy letter and I ask other Members to do so as well.  
Thank you, sir.

3295 **The Bailiff:** Deputy St Pier.

3300 **Deputy St Pier:** Sir, when Deputy Inder spoke he expressed some expectation that it would be a relatively short debate on the basis that it would be well supported. Now I think with the exception of a little grit in the oyster from Deputy Langlois and possibly the slightest piece of sand in the oyster from Deputy Green, I do not think anybody has spoken against the policy letter.

I would like particularly actually to commend Deputy Tindall for her speech, because I think she articulated very well why actually it is not perhaps as blindingly obvious as perhaps lobby groups

and others might expect that this is a common sense decision because of the challenges and pressures that there are in relation to other priorities.

3305 I think the points which Deputy Le Tocq and Deputy Brouard made and is indeed noted in the Policy & Resources' letter of comment that this has not been identified as the top priority for the Health & Social Care Committee. Those other top priorities will still need to be addressed, will still come through and there are implications for addressing those in the way that Deputy Tindall expressed. So I think in what is a difficult debate for anybody who is seeking to express any  
3310 concern about the policy, the honesty with which she articulated how she had come to her position was, I think, to be welcomed.

There is little to add to that which has already been said, but I do want to say a few thank yous. Some have already congratulated the Committee and I would like to add to that because I think they have done an excellent job bringing this policy letter a good policy letter to the States  
3315 **(A Member:** Hear, hear.) in relatively short order by comparison with some policy matters the time it takes to bring them to the States.

I would also like actually to pay tribute to HEAL, some of whom are in the Public Gallery today. They are a lobby group but they have lobbied with great courtesy and respect but I think also with immense dignity, **(A Member:** Hear, hear.) and have helped inform us and others about the reality  
3320 of the current position in terms of the effect on them and their families. I think they are very much to be commended for the approach which they have taken in handling their position.

I would also like to commend the Director of Public Health, an individual who is very self-effacing but whose professionalism, diligence and compassion I think has helped ensure that this policy letter is very credible **(A Member:** Hear, hear.) and I think it is appropriate to give credit to her. I know there will be other officers involved and I am sure they will be well known to the  
3325 Committee as well, but certainly from my perspective that is an acknowledgement worth giving.

Sir, I think in dealing with HEAL as a lobby group, they in correspondence with me bridled a little bit at the emphasis which came through in the Policy & Resources letter about referencing these drugs as not being lifesaving. Now I think Deputy Roffey has addressed that concern.

3330 He had also reflected that concern as perhaps articulated by HEAL and indeed I think Deputy Laurie Queripel also has helped explain that there are wider implications, wider benefits for the use of these drugs and therefore I do understand why the emphasis on these not being necessarily lifesaving could cause concern to those that are seeking to promote this particular policy. But I was pleased actually that it also came through in the President's speech when she  
3335 opened the debate. So I think that does help justify the position that Policy & Resources Committee adopted in its letter of comment.

There is clearly a lot of uncertainty around the cost of this implementation and I think that came through very strongly in Deputy Soulsby's speech and again I think it is worth emphasising that, the numbers that appear in the policy letter really are only the best estimates that exist now  
3340 and those numbers could vary considerably because of the uncertainty about implementation.

Now Deputy Soulsby when she spoke did express some surprise, or noted that it was unusual for Policy & Resources in its letter of comment to express the costs in Income Tax terms, in terms of what it would mean for Income Tax, and that is not something that we have done elsewhere.

3345 Well I think it is worth responding and explaining that. Clearly this is a recurring expenditure; I think some of the examples she gave were not necessarily recurring expenditures. But this is a recurring expenditure and it is a recurring expenditure of potentially a very significant sum. So we assume it is the upper range of around £12 million or so after full implementation that is approximately 10% of the Committee *for* Health & Social Care's entire budget. So adding that £12 million to the base line budget we feel it is entirely appropriate to express it in tax terms.

3350 But also we have to see it in the context of the fiscal framework debate that we have had and Deputy Merrett raised this point about some surprise that actually these things were being debated together but that was an intentional decision of the Policy & Resources Committee to do that. I also would like to thank and commend the Committee *for* Health & Social Care for working with us to allow that to happen, because they could have brought this ... they were in a position to

3355 bring this policy letter a little earlier, but they acknowledged the significance of what was being presented and I would like to thank them for that. (**A Member:** Hear, hear.) So in response to Deputy Merrett she should not be surprised because it was an intentional decision, and I think Deputy Brehaut summed it up, sir, by saying this is a tax issue.

3360 Which really brings me to the comments of Deputy Fallaize and I think it was acknowledged by Deputy Trott and Deputy Ferbrache and he is absolutely right that this is going to be a major challenge. The scale of what we are talking about here in terms of the additional revenues that will be required should not be ignored.

3365 Now whilst HEAL were a little critical of my use of the term the Committee's use of the term reference to lifesaving equally I am going to pick up as Deputy Trott did in the correspondence which they used which sought to express this and to reduce it down as quoted by Alderney Representative Roberts as being less than the price of Costa coffee, but whether it is £150 per year per taxpayer or £200 or £300 a year depending on where the *per diem* amount translates into, we should acknowledge that this is a significant additional burden for many working individuals and families in this community. So I understand why because as a lobby group it makes sense to render it down to the most consumable minimum, but nonetheless Deputy Fallaize is absolutely right to acknowledge the scale of what is required here.

3370 I would just like to remind Members of the resistance that we face at each annual Budget to the very smallest changes in, for example, TRP or even petrol duty amounting to perhaps a few hundred thousand pounds. If you think of the debate we had last November for an additional few hundred thousand pounds to meet a requirement with the Committee for Employment & Social Security, that took several hours of debate to achieve that one very small item. So we should not underestimate the quantity and the pressure that this will place upon us and the resistance that may well be met in due course.

3375 Sir, I think it has been a good quality debate which I think has picked up most of the issues and I thank the Assembly for it.

**The Bailiff:** No one else?  
Deputy Soulsby will reply.

3385 **Deputy Soulsby:** Thank you, sir.

It sounds like people might be minded to support this policy letter. I thought it might be touch and go, but I think that they are probably minded ... but I do think despite that it is important to go through the comments that have been made throughout the debate which has been excellent. I think it has been a much better debate than the one on the requête. I think it has really made people think and consider and I think it is very much helped by the quality of the report that was provided to us.

3390 I think I – oh, Deputy Inder is not here – but I thought I would comment on just a few things. One thing he said about trying to make this the NHS – well I do not think that is what people want here I am certainly not thinking about changing to the NHS where the latest figures show that only 65% of people are seen at A&E within four hours. I think you would be lucky to wait more than four minutes at our A&E to be seen.

3395 The UK have to travel to the other end of the country for mental health treatment and then wait nearly two years actually before you can get the appointment and let's not forget whilst it is not ... the problem about in the UK, the separation between NHS and social care, whereas social care is in melt down in the UK, it has been terribly underfunded, and for many people it is non-existent because it is very much means tested and for many people they do not get social care because they cannot afford to pay for it.

3400 I would like to thank Deputy Prow for his kind words. We have a good team at HSC, Members and staff, and whilst not wanting to turn this into an Oscar speech I would also, as I did not mention it in my opening speech and Deputy St Pier has already ... is the contribution of our Director of Public Health. We are very lucky to have someone in such an important role who has

been really leading the field when it comes to making the Partnership of Purpose real. I think Alderney Representatives will have seen her there contributing to supporting you for your Joint Strategic Needs Assessment. She is out all over the place. I mean, golly, we talk about value for money, we certainly get it from her.

3410

I would also like to thank HEAL particularly in supporting us in developing actually the policy letter and their contribution and in recent days as well. So thank you there.

I think I might leave funding until later on in terms of is this the right time to do it. Deputy Fallaize mentioned that and Deputy Trott.

3415

Just picking up on Deputy Langlois' questions about well we have got £30,000 in our current policy, the NHS say it is £20,000-£30,000. Well the difference here is £30,000 is the cap, and the current policy is we will not fund treatments above £30,000. That does not mean all treatments below £30,000 are automatically funded; they have to go through a process and, as we found through the work done by SPH, quite a lot of them are not funded, and the NHS has to fund all the drugs. I do not know if it was Simon Stephens of the NHS that he was talking about but that £20,000-£30,000 is what they would like to be able to spend up to but actually under Law they have to spend what is approved by NICE and, as we know, the whole point of what we are debating here is a lot of those drugs fall above the £30,000 cap. So hopefully that answers that particular point.

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3425

Deputy Paint, thank you very much for your support. In terms of waste across the States, well, I think it is less about whether something silly has been spent or somebody has not thought about what they are spending it on, I think much of the problem we have now is that resources are applied in order that processes can be followed and in some cases I think they are getting out of hand and really it is the States' risk adverse nature that is really what is costing us a lot of money and I think that is something that we do need to consider.

3430

Deputy Roffey, I want to agree with him about it being different policy from 17 years ago, but it is the same policy but things have clearly moved since then and I think that is the point. There has never been a policy to always support NICE drugs but the difference on why the gap has grown is since 2012 when the policy in the UK changed to all drugs having to be with a NICE TA having to be adopted has created that huge disparity.

3435

Just on the reference to there was an article and a few Members mentioned the article the other day on, I think it was, Ibrutinib; just so Members are aware, that drug was approved in February 2018 but of course I will insert there processes had to be got through before they were approved and I suspect that the individuals involved there were around before that approval and I will accept that.

3440

I am sorry that Deputy Roffey felt that he was being brushed off earlier. He may well have been, certainly at the time clear advice was that we had a great policy, there is nothing to see here, and I think that is probably fair. I think my Committee Members will hopefully nod. It was a case of, yes, this is excellent policy, it has done us well. But we have listened, and we have listened to groups like HEAL, but not only that, it was the work that was done by SPH and the work done by Director of Public Health that has put together this report which showed that that gap has grown to the extent that we do not think it is acceptable in our community. It is what has made the difference and it is based on evidence. I always say I am an evidence-based politician and for me that is what swung it particularly. That is when we believed it was an important priority area.

3445

Deputy Trott used some very slick wording here in his speech and I think this is typical of him. *(Laughter)* He says that he will support this but taxes will go up. But he does not say taxes will go up because of this policy letter because he cannot say it is because of this policy letter, but I absolutely understand what he is saying. He is saying if we adopt secondary pensions, SLAWS, disability inclusion, everything together, taxes will go up. Supporting this policy letter today, I think it is important to say so because headlines tomorrow should not be States agree to tax rises because of what we agree. This is a point I was wanting to make and I thought about making it in the fiscal policy framework debate, but my speech was long enough as it was and I thought it might come up in this debate and it has. So I thank Deputy Trott for this.

3455

3460 We talk about balance and surplus and Proposition 1 talking about we must maintain fiscal  
balance, but of course we do make a surplus on general revenue every year and this year our  
budget is based on the premise of having a 10% surplus from general revenue (*Interjection*) Now  
then we choose to put it in different pots and that is when it gets interesting. But the truth is we  
have got a surplus there from general revenue which would more than cover this and have  
enough to spare to go into Capital Reserve and into Transformation and Transitional Fund –

3465 I give way to Deputy Lowe.

**Deputy Lowe:** Thank you, Deputy Soulsby.

3470 It was to pick you up on the comment following what Deputy Trott said. He said taxes will go  
up. He cannot say that unless he is elected in the next States in which case he can stand there and  
bring it forward. (*Interjections*)

**Deputy Soulsby:** Anyway I knew what Deputy Trott (*Laughter*) was trying to say! (*Interjections*) I  
did, but I am saying it is a bit disingenuous to say it is because of this policy letter. I think it is  
wrong to actually apply that.

3475 It has to be said that, as Deputy Tindall said and as I think I said it was in the fiscal policy  
debate, we have already said in our Partnership of Purpose policy letter back in 2017, directed  
P&R to look at future funding and that is their job clearly and they have come back and said we  
need to look at our tax base which is fine.

3480 I thank Deputy Stephens for her comments I am pleased again that the Director of Public  
Health gave you the information that you needed.

Deputy Green talked about how the estimates are higher than we mentioned in previous  
debate, which demonstrates the importance of doing an evidence-based review and finding out  
what those costs are. He does make a good point.

3485 He talks about what is the best use of that amount of money. Well that leads me to other  
comments and I will link that to Deputy Brouard who said: what is of an equal need? Well he  
should know really, it is our P&R Plan, the things that we are saying we want to do. It is also in the  
fiscal policy framework about primary care in particular.

3490 But what was in our budget that was not approved there was ... we have £5 million from staff  
proposed to us that we could not approve and was cut out and £3.6 million again, I said that we  
did not get as a Committee, that we submitted to P&R and that includes expansion of the  
community speech and language therapy team, nurse practitioner, regulation – which I know  
Deputy Ferbrache will go 'Hear, hear' – increased provision for the children's dental service to  
name a few. So the pressures are everywhere.

3495 It is our view though that, as I have said more than once, we are finding the actual provision of  
drugs and treatments is actually getting further and further behind, and we do not think that we  
can actually afford for it to get further and further behind.

We will be having – it is in the P&R Plan – proposals coming with respect to the substance  
misuse review and that will be very focused on prevention and early intervention.

3500 Just going back to, I think it was, Deputy Green talking about private patient income and loss  
and the fact that well we are already providing a service to people who are getting the drugs  
privately. I understand that the calculation to deduct the private patients was quite difficult, but I  
have to say that we are talking small numbers of people that we found it was ... we do find that in  
this particular area it is skewed quite considerably as one or two people might have those  
expensive treatments. But people might well decide, some people will decide to go private and we  
will see again it is just one of the estimates we have had to take into account in developing this  
policy letter.

**Deputy Oliver:** Thank you.

3510 Would the President agree that not all insurance companies will actually pay for drugs? They will mainly just pay for seeing the doctor and seeing the consultant but they will not actually pay for the prescription of the drugs.

**Deputy Soulsby:** Yes, thank you, Deputy Oliver.

3515 Deputy Oliver is correct and you will find that the more expensive the drug the less likely they are to pay for it as well.

I do thank Deputy Le Clerc for her contributions and the support of her Committee. Of course it is forgotten and Deputy Le Clerc mentioned it, so much of what has historically been part of HSC funding has been through ESS.

3520 I mean at the moment HSC only funds £2 million of drugs. ESS funds £19 million gross excluding the prescriptions that are paid. There is a considerable difference but HSC has been the one to lead this area because it was in the Partnership of Purpose and really we look forward to this area being moved across to HSC in the future and I think things will work better in terms of holistically in the round for Health & Social Care when that happens, but we do thank Deputy Le Clerc for their contribution.

3525 She also mentioned about Script Switch – that is a bit of a tongue twister – but what we do envisage is under new policy will be that care pathways, treatment pathways, will be developed, and these will guide doctors, clinicians into the drugs to be used based on evidence. It will not be a pick and mix availability for doctors, there will be guidance to the drugs that should be followed.

3530 Deputy Brehaut I thought he mentioned traffic, he did not get traffic lights in but he got roads in. (*Interjection*)

3535 Deputy Leadbeater – I thank him for the work he described in terms of opiates and really getting the work done on Fentanyl especially. It has been a joint effort to do that, but we should be very proud of the work done by the prescribing advisor and others in this area which shows we are streets ahead of the UK here where they have real problems in terms of opiate addiction all across the UK. So I think they do a fantastic job.

I hear what he says about medicinal cannabis and there was a comment that was made by Deputy Queripel but I think – we are following best evidence when it comes to medicinal cannabis. The UK are far more restrictive than we are, but present evidence is it is not the best first line treatment. If the evidence changes we will do it, but we cannot go on the lines of an individual rocking up to Health & Social Care and saying, 'Well, I think this is the best treatment for me'. It has got to be based on evidence and the evidence thus far is that medicinal cannabis has a use in certain prescribed areas and that can be to do with pain and various other areas but not in others which people would like it to be used for. But again we will monitor that and change as evidence itself changes. Of course it is not a NICE TA at the moment either.

3545 This idea of it being natural so we must support it, well opiates come from natural sources so I find that a bit of a spurious argument that others do make but I really do not think it holds water.

Deputy Gollop says he does not like the non-statutory basis. I did mention it in my opening speech; Deputy Tindall, even though she was not here, reinforced exactly what I said which is absolutely great.

3550 He mentions working more closely with Jersey, as I think Deputy Laurie Queripel did. Yes, we would love to work even more closely with Jersey but I can say that we have got joint procurement for pandemic flu vaccination. But of course we will not need that until we actually have pandemic flu. So that is an issue.

3555 But just on that point and linking to Deputy Queripel also, we do get the advantage of – as much as we can but we do and hopefully will continue and what we are doing here will be dependent on it ... is benefit from NHS discount. Now just by us going with Jersey I do not think we are going to get a better discount than the NHS is getting. Our source of drugs and prescriptions are through the NHS and we benefit very much from the discounts that they can get from being a big supplier. I will just mention that a bit more at the end.

3560 I thank Deputy Tindall for her response, but her challenge has been invaluable and it has made us be able to think and understand what we were doing, was it valid, and we did have difficult debates and conversations about the funding but I think the approach we have taken on a non-statutory basis as well means that we were happy to really all unanimously support what we are proposing here today.

3565 Just going back to Deputy Queripel, he refers to people growing older. Indeed it is a great thing but what we want is for the people to grow old healthily so they do not all need the drugs in the future.

I thank Deputy St Pier for his contribution. This might not have been the top priority but it is a priority and so we do have a policy letter here today.

3570 I will give way to Deputy de Lisle.

**Deputy de Lisle:** Thank you.

3575 Can I ask Deputy Soulsby just with regard to summing up with regard to the Reserve, because you did say that there were reserves there that would provide the funds to perpetuate this particular programme and the numbers that I had were £120 million of reserves in the policy letter, I think it is in 12.2 paragraph 12.2, but then Deputy Le Clerc was talking about £170 million, I think, through the ESS. I just wondered what the actual reserve was at the current time.

3580 **Deputy Soulsby:** I will defer to –  
Deputy Le Clerc wants me to give way.

3585 **Deputy Le Clerc:** Sir, there is about £900 million in the Insurance Fund and of that, £117 million is the Health Fund, a larger proportion ... I cannot remember what is in the Long Term Care Fund off the top of my head and then the rest is in the General Insurance Fund which is the state pension and sickness benefits. So there is about £119 million, at the moment, reserves in the Health Insurance Fund.

**Deputy Soulsby:** I thank Deputy Le Clerc.

3590 That means we have used up a million pounds since the time that we submitted the policy letter and Deputy Le Clerc standing up. But thank you.

3595 I would just like to finish on two points: firstly, in relation to the need for treatments and future costs, because we talk about the inexorable rise in costs and really we are all able to influence and manage that rise. Many treatments arise through lifestyle choices, eating and drinking too much, smoking and not enough exercise. Through prevention and early intervention we can all help keep the bill down.

We are trying to make these choices easier through setting up the Health Improvement Commission but it really is the whole of the States of Guernsey through its fiscal, social and economic and environmental policy that can contribute.

3600 I have said it before and I will say it again, health is not the sole responsibility of the Committee for Health & Social Care. (**A Member:** Hear, hear.)

Secondly and finally, I need to make it clear the world of drugs and treatments is evolving fast. Every day there is news about the latest breaking fantastic new treatment that will solve everything and make us live forever and that is great.

3605 One particular area that is coming up and is really taking over everything now is the world of genetics. Here we are already using genetic testing as part of care pathways and using now, as I have mentioned previously, screening for familiar hypocholesterolaemia – I have done it again which is great – which we have partnered with Queen's Road Medical Practice and it really looks like it is going to become very successful. The advantage of that is it would reduce cardiovascular disease and reduce the need for expensive drugs.

3610 Recently we approved ... or can be a drug targeting those with a particular genetic makeup. Now we have no idea what this will mean for future costs. Will the targeted nature of

interventions mean less drugs and treatments are wasted or will the higher cost of these drugs cancel the savings out?

3615 There is a changing landscape. NICE will need to change its model. We talk about we are adopting NICE TAs and we are going to follow NICE but NICE itself is going to have to change. The landscape is changing the old way – this is going to be seen to be quite an old way of doing things, it is just how soon is that going to happen.

3620 I predict – yes, this is me I am just speaking for myself – in two years' time new considerations will be needed to be had when this is next debated and when we have to decide what the new funding sources should be. Because I think not only will quite a bit of work have to be done to actually ascertain what it is that we want. It might well be not just looking at do we need to support ICERs over £40,000. I think we might need to consider what form of drugs that we do support – I am not going to give way, I will not give way – what we do need to do though, and I have said it again, I have said throughout my summing up, was make those decisions based on evidence.

3625 So that is my note to the future committee: please follow what we have done in developing this policy letter and come to your conclusions in two years' time.

Deputy Merrett mentioned Socrates the other day I thought I would get in a bit of Plato here. He said:

A good decision is based on knowledge and not on numbers.

3630 I think that is something we should all bear in mind for the future.

I think the Committee *for* Health & Social Care has made the right decision and I do ask Members to support the proposals.

Can I have a recorded vote, sir, please.

3635 **The Bailiff:** Yes. We have a recorded vote. Nobody has requested taking any of the Propositions separately so a recorded vote on all six of the Propositions.

*There was a recorded vote.*

*Carried – Pour 38, Contre 1, Ne vote pas 0, Absent 1*

**POUR**

Deputy Trott  
Deputy Le Pelley  
Deputy Merrett  
Deputy St Pier  
Deputy Stephens  
Deputy Meerveld  
Deputy Fallaize  
Deputy Inder  
Deputy Lowe  
Deputy Laurie Queripel  
Deputy Smithies  
Deputy Hansmann Rouxel  
Deputy Graham  
Deputy Green  
Deputy Paint  
Deputy Dorey  
Deputy Le Tocq  
Deputy Brouard  
Deputy Dudley-Owen  
Deputy McSwiggan  
Deputy de Lisle  
Deputy Soulsby  
Deputy de Sausmarez  
Deputy Roffey

**CONTRE**

Deputy Langlois

**NE VOTE PAS**

None

**ABSENT**

Deputy Tooley

Deputy Prow  
Deputy Oliver  
Alderney Rep. Roberts  
Alderney Rep. Snowdon  
Deputy Ferbrache  
Deputy Kuttelwascher  
Deputy Tindall  
Deputy Brehaut  
Deputy Gollop  
Deputy Parkinson  
Deputy Lester Queripel  
Deputy Le Clerc  
Deputy Leadbeater  
Deputy Mooney

**The Bailiff:** Well, the voting on the Propositions was 38 in favour, with only 1 against. I declare them carried.

We will rise now –

3640

**Deputy Le Tocq:** I was going to suggest we could, I think with a fair wind, finish tonight if we were really minded to and then we would not have to come back tomorrow.

3645

**The Bailiff:** Well, we still have the Brexit debate or the Withdrawal Agreement and then there is a total of 12 Questions to be laid plus ... Well, if you wish me to I will put it to Members in a moment so that they decide rather than me – but I just remind you we have the debate on the Withdrawal Agreement and then we have, I think it is, three separate sets of Questions still to be asked and then of course the Schedule.

I put to you that we continue to sit until we finish. Those in favour; those against.

*Members voted Contre.*

3650

**The Bailiff:** We will be back here tomorrow.

*The Assembly adjourned at 5.30 p.m.*