



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 16th December 2020

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A. Kazantseva-Miller	

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and E. A. J. Snowdon

The Clerk to the States of Deliberation

S. Ross, Esq. (H.M. States' Greffier)

Absent at the Evocation

M. M. E. Pullum, Q.C. (H.M. Procureur); Deputy J. P. Le Tocq (*indisposé*)

Business transacted

Evocation	5
Billet d'État XXVI.....	5
I. States of Guernsey Annual Budget for 2021 – Debate continued – Propositions carried as amended.....	5
Procedural – Mobile Devices.....	40
<i>The Assembly adjourned at 12.24 p.m. and resumed at 2.30 p.m.</i>	<i>40</i>
II. Non-Contributory Benefit Rates for 2021 – Propositions carried	41
Procedural – Move to Ordinary Meeting.....	61
Billet d'État XXVIII.....	62
Convocation.....	62
Statements	62
Procedural – Order of Statements.....	62
Employment & Social Security Committee – General Update.....	63
Committee for Health & Social Care – General Update	70
Overseas Aid & Development Commission – General Update	77
<i>The Assembly adjourned at 5.23 p.m.</i>	<i>81</i>

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCATION

Billet d'État XXVI

POLICY & RESOURCES COMMITTEE

I. States of Guernsey Annual Budget for 2021 – Debate continued – Propositions carried as amended

The States' Greffier: Billet d'État XXVI. Article I, the continuation of general debate.

The Bailiff: Deputy Parkinson.

5

Deputy Parkinson: Thank you, sir.

Obviously, much attention has been focused on the revenue deficits in this Budget, which are certainly eye-catching, but I think they are not as significant for the future of the Island as the situation on the capital accounts. (**Several Members:** Hear, hear.) Members will recall that the Capital Reserve currently stands at about £130 million and that Policy & Resources is not proposing any transfers into the Reserve in 2020 or 2021. We do not know when the transfers into the Reserve may resume. I will come back to that later.

But the list of projects, which that £130 million has to fund, is quite formidable. I will start with the education projects because they were the principal topic of discussion in the recent General Election and I have no doubt that, rightly or wrongly, they will receive the highest political priority. Members will recall that the last Education Committee proposed remodelling the secondary schools and building Guernsey Institute and rebuilding La Mare de Carteret Primary School at a total estimated cost of £157 million.

We know that the current Education Committee is considering a range of options for redeveloping the secondary school estate, costing from £60 million to £90 million, plus £10 million to £15 million of fees. We also know that the delegated authority for the Guernsey Institute is £51 million and the estimated cost of La Mare de Carteret Primary School was £13 million to £22 million. So, you add all that up and it is quite clear that the total cost of whatever comes to the States eventually this year, presumably, will be not less than, or is unlikely to be less than the £157 million proposals from the previous Committee.

25

On top of the education estate, there is a vast range of very expensive projects, which are in the political pipeline. That is to say they have either been approved or are going through the business case development and so on. I start with the proposals from the Health Committee. In March last year, the Health Committee persuaded the States to support, in principle, a modernisation of the PEH, at a cost of £90 million-something and to give the go ahead to phase one of that modernisation at a cost of £44 million.

The States has also approved a new Dairy, baggage handling, baggage scanners at the Airport and a range of other projects, adding up to a multi-million pound bill. Roughly £300 million-and some worth of projects are in that pipeline. And, beyond that, there are a huge number of other projects we have not even gone into the prioritisation process. We know that the harbours will require £35 million of expenditure on repairs and the States is also examining the case for extending the Guernsey Airport runway, possibly even extending the Alderney Airport runway.

The States is investigating the possibility of new commercial port facilities, which would cost £200m-£500m, depending on what option we go down. So the result is there is a vast shopping list, which this puny £130 million is going to have to try and fund. In fact, the education proposals alone will more than exhaust the Capital Reserve, leaving a funding deficit of tens of millions of pounds.

Now, we clearly are going to need more resources. It is unsustainable not to put money into the Capital Reserve on a regular basis, even if it becomes necessary for a couple of years. In the absence of a sharp uptick in the economy producing revenue surpluses, which could solve the problem, and I do not see that as a likelihood in the next two or three years, there really only two means of finding additional money.

One is reform of the tax system, broadening the tax base, as Deputy Helyar said yesterday. Originally, of course, the Fiscal Review was supposed to come back to the States in June of next year, but I suspect that deadline will be missed and we may be more likely looking at the end of the year. But we do not know what that review may recommend. Obviously, one of the candidates for consideration will be GST, which would not be my favoured solution. Corporate tax reform is, to my way of thinking, a far more plausible avenue.

But the point I would make is that any such broadening of the tax base cannot be done overnight. When Jersey introduced GST, it took years of preparation and planning to do it because, basically, you have to change the whole economy. It is not just what the States does, it is every trader out there has to be set up to operate a GST.

I cannot remember exactly how long it took Jersey to do it, but we are talking about years. Three years, I am advised by Deputy Trott. That means, even if we decided at the end of 2021 to change the system in that way, we might have it up and running by 2024, we might be receiving our first receipts from it roughly as we go into a General Election campaign in 2025.

So, it is not a quick solution. Borrowing, clearly, is a much quicker solution. Guernsey has ready access to very cheap money and could find the funds to do any or all of these projects in very short order. But here we are hampered by our own Rules because, of course, what the States has decided is that you can only borrow for projects, which have a secure income stream, which will fund not only the interest on the borrowing, but the repayment of it.

Personally, I think those Rules are too restrictive. I think it should be permissible to borrow to invest in projects, which will have an economic benefit, such that the borrowing can be repaid. As an example, if we were to invest in a project like, let us say, the airport runway extension, if it is demonstrated that would produce wide economic benefits for the Island, then I think that should be permissible, even if we are not going to collect the money to repay the borrowing out of landing fees. The wider economic impact should be taken into consideration.

Some of the projects in the list, of course, could be funded even under the restrictive rules that we currently have. For example, building a marina in the pool at St Peter Port would cost a few million pounds but it would undoubtedly pay for itself out of mooring fees and fees from berth-holders and I think that project would stand on its own feet under any scenario.

Building new commercial port facilities, at a cost of hundreds of millions of pounds, while it might have wider economic benefits for Guernsey, the additional revenue that might be produced

80 from those facilities would be unlikely to fund the borrowing necessary to make that investment. So, I think the States has some very difficult decisions to make, relaxing the rules around borrowing would not be uncontroversial and I know that my President at STSB would be very unhappy to do that.

85 But we are in a very difficult place and there just simply is not very much money and decisions to change and broaden the tax base, or to go down other routes, particularly decisions around prioritisation, what should be in the list and what should be de-prioritised will be very difficult. My own view is that we should be prioritising projects that actually have a chance of helping the economy grow again and get back to 2019 levels or better. Because, without the money coming in, we cannot do all the other things.

90 But the political reality is, we have just been through a General Election where many candidates effectively stood on a three-school platform, there is no doubt that, for this Chamber, the education estate will end up at or very close to the top of the list, even though schools and hospitals, *etc.* do not of course produce any income.

95 Now, will the States be able to handle these very difficult decisions? I am not so sure. The States has not traditionally been very good at this sort of thing. Facing two or three years of drought in terms of capital investment would be bad enough but the fact is that that drought comes on the back of a long period of drought that we have already been through.

100 Since the redevelopment of Les Beaucamps School, pretty well the only major capital project that the States has undertaken was the Waste Transfer Station, at a cost of £32 million and, incidentally, Members who, in that debate, voted for that project to be funded out of the Capital Reserve, instead of out of the bond as originally intended, may come to regret that decision because, otherwise, there would be an extra £32 million in the pot today.

105 But my point is we have had a long period of under-investment. The States has nowhere near met its targets for capital investment over the last several years and, for the drought to continue for another two or three years means that by the end of this political term we may be looking at, effectively, a 10-year hiatus where the States has conspicuously failed to maintain and invest in our infrastructure and that will have very serious long-term consequences.

110 So, these are difficult decisions, which this Assembly will have to face. I am not sure, frankly, whether the Assembly is going to be able to do that very well. The political party to my left stood in the election on a platform of no increases in taxes, in fact reductions of taxes, and no borrowing. How are they going to cope with this and, indeed, our new Chancellor is a member of that party. How is he going to adapt to the realities or are they going to keep the strictures in place which mean that, effectively, there will be a decade of under-investment in Guernsey? We shall see. These are difficult decisions.

115 It is also not helped by the fact that, of course, the Assembly decided to dispense with most of the people who have got senior experience of the Treasury, including the Island's poll-topper. Frankly, the omens are not promising. Where will we be at the end of this term? I do not know. I hope we will not be looking back on a decade of under-investment and resulting damage to our infrastructure.

120 I hope we will have the courage to make some difficult decisions and reprioritise and drive through the changes that are needed. It will require boldness. It will require determination and, above all, it will require vision. Frankly, at this point, I do not see an awful lot of the latter. I remain hopeful. I will contribute in any way I can to try to get to solutions but, frankly, I think the omens are not good and this could be a very difficult term. Thank you, sir.

125 **The Bailiff:** I am going to call Deputy Kasantseva-Miller to make her maiden speech. Deputy Kasantseva-Miller.

Deputy Kazantseva-Miller: Thank you, sir and may I speak just a little bit on what Deputy Parkinson was saying? Thank you.

130 Yesterday there was a sense of doom and gloom. There is no money. We are likely to see tax rises and cuts to Government spending. Although Deputy Parkinson has also illustrated that the political reality of doing any of that is actually going to be quite difficult.

I say let us be bold and invest in our economy. How do we do that? Well, let us take a look at the budget of the Committee for Economic Development. It is by far the smallest out of all Principal Committees. Why is that? Next year it is the only budget, apart from Overseas Aid & Development Commission, that is not increasing in real terms. One may argue that Economic Development is quite thrifty and is also very good in using private and public commissioning models such as Guernsey Finance, which enables it to operate quite leanly and deliver great value for money.

140 On the other hand, one may argue that the pecking order and the funding allocated so far to economy enabling initiatives and committees like Economic Development is reflective of the limited focus, asset-management approach, capital investment over the previous States or economic enablement.

The Committee for Economic Development does not own the economy, unfortunately, nor some of the key policy levers that affect the economy, such as taxation. But, to me, it is a call for reflection for all of us that, historically, such limited funding has been allocated to a Committee that generates direct and proven returns on investment through its many workstreams.

145 Secondly, let us look at our trading assets. Small island jurisdictions like Guernsey have seen the emergence of Government-owned infrastructure, natural utility monopolies. Let us be proud of that and let us make the most of owning these assets. I say this with the caveat that public owners should not be as a proxy for poor management and inefficiencies. Just look at what well-managed assets like Guernsey Post look like. Nor should States ownership serve as a limit to competition where such competition is sustainable.

Perhaps a philosophical belief also prevails that only private sector is good at innovation. Well, this myth has also been debunked by economists such as Marianna Mazzucato, clearly showing that government funding, investment and procurement play a key role in stimulating innovation and wealth creation. Just as an example, behind every notable technology in this mobile phone, such as the internet, GPS, touch screen and Siri, lies billions of funding of government money. Unfortunately not Guernsey in this case.

160 We need a radical rethink about the governance, asset management, capital investment and overall structure of STSB. Its quasi-government structure, half in and half out of the Civil Service, is leaving the unincorporated trading assets in the voids, not able to capitalise on the opportunities and stuck in a myriad of government processes. What we see is crumbling and chronic under-investment that Deputy Parkinson has alluded to. Let us be bold and continue with STSB transformation and adjacent investment into our core infrastructure.

165 Thirdly, what enabling conditions are required for us to capitalise on these opportunities because we could go another 10 years without much change. John Hollis, in his recent article in the *Guernsey Press*, outlined four phases of the life cycle for business transformation, that includes crisis, reinvention, growing and fine-tuning.

170 Clearly, the world is managing its way out of the crisis, so can Guernsey embark on the reinvention phase? The resounding answer is yes, but we should not underestimate the shift in our mindset, approach and processes required to navigate the invention. We need to take more risks, at quicker 'Covid speed', trial new ideas, explore more public, private and third sector commissioning. We can choose to invest in the future that will be coming our way, whether you want it or not, or trail behind a future powered by cleaner energy, technology and innovation, community cohesion, lifelong learning, just to name a few of the trends coming our way.

175 Of course we did not have time to input such thinking into the 2021 Budget and the Government work programme as well and it is fully underway and is sharing much of this thinking I have shared today. So, when I look at our new Assembly and the 2021 Budget, between the lines I choose to see hope. Hope that it is last time that we see a Budget that is putting so little emphasis on economic enablement. Hope that we are fostering ambition and boldness in seeing the value in direct internal investment from such activities.

Each part, put into the right infrastructure, investment, enterprise incentive, start-up support, regeneration zones, enabling regulation, light regulation, will have multiplier effects throughout the economy and our community. So, I look for to working together and building on this standstill Budget for 2022, because one thing I hope we all agree is that we cannot remain standing still on our economy. (*Applause*)

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

The Budget. I think this is a practical and pragmatic Budget and I commend P&R for bringing it. The fact is we are in unprecedented times and this Budget is *status quo*, hold fast. It is simply holding the course until we understand the true impact of what we have been experiencing and, as I will explain later, the true impact has not been felt yet.

There was some criticism yesterday of the fact that Policy & Resources chose not to proceed with the previous Resolutions to progressively increase certain taxes and charges and I think that was unjustified. As I said, we have gone through an unprecedented crisis. We are still in the midst of it and, in my opinion, some elements are going to get a lot worse before they get behaviour.

In that environment it is not appropriate to carry on with progressive increases in charges or taxes in the face of that unknown outcome. So, again, I commend P&R for not having done that and having stuck with existing levels for the coming year. After all, we are only looking at a one-year pause until we have a better idea of what we are facing and can re-evaluate those decisions.

I am going to go onto why I think this crisis is by no means over and the worst, possibly, is yet to come. Just to explain my perspective and my background. For those who do not know, I spent most of my professional career as either managing director or CEO of investment research companies in Hong Kong and New York. Consequently, you know, investment research, economics, etc. are my area.

Going into the real issues, Deputy Kasantseva-Miller, in her excellent maiden speech, said we are through the crisis and we should be starting to manage the change. Unfortunately, from an economic perspective, the crisis has not even started yet. The reality is that the economic downturn, from the impact of Covid one, the first wave, is likely to start being felt in the first two quarters of next year.

We are looking at an economic contraction, measured in the UK, of the largest contraction in economic production in over 300 years. This makes the 1930's pale into insignificance. Consequently we cannot expect that contractions on that kind of economic scale around the world will not impact on Guernsey. Things are going to get worse before they get better.

Add to that Covid wave two, talk of Covid wave three, Brexit now looks like it might be a no-deal Brexit, with unknown quantities, the impact of all of those can only be negative. There is no positive upside on any of those and those have yet to be counted into the system as well. So, the fact is, we are going to be faced with some very tough decisions in this term.

As Deputy Roffey said yesterday, it is quite possible that we will be called the worst States ever because, unfortunately, regardless of what we do, in times of hardship, people want somebody to blame and, unfortunately, the people in charge, the captains of the ship, are the ones who generally get blamed.

Also, I think, unfortunately, in our modern society, as well, there is a tendency, anyway, to criticise Deputies. I remember the standing joke I was told when I was first elected. Once you get elected, first you are sworn in and then you are sworn at. And it proved to be very true. So I think we have rough times ahead and we are going to have to make some very difficult decisions and, as Deputy Parkinson said, that may involve having to raise taxes, raise debts, there are a number of things we will have to look at.

Now, I do not normally speak in debate unless I have something to add, or I am driving to my feet by something somebody else has said and I must admit that I was not intending on speaking in General Debate but Deputy Roffey's comments yesterday have driven me to my feet, regarding

education. And Deputy Parkinson, again, mentioned that the previous Committee, the two-school model of which Deputy Roffey is a sole-surviving Member in the States, came to the States and proposed for the rebuild of La Mare de Carteret Primary, the rebuild of the Guernsey Institute and the development of the two schools for the secondary education. That at a cost of £157 million.

235 Yesterday, Deputy Roffey made great play of the fact that he thought it was going to be cheaper in revenue terms. Actually, I probably do not think, having looked at the models myself and having run the numbers in the original Committee in the last term that would have proved cheaper in revenue terms. But if it did, it was 1% or 2%. That kind of margin.

240 What he failed to mention was the difference in capital cost. As Deputy Parkinson mentioned, the previous Committee proposed rebuilding the secondary estate, rebuilding La Mare primary and rebuilding the post-16 educational estate, for £157 million. The previous Committee proposed rebuilding La Mare primary, La Mare secondary and an extension at Beaucamps to handle the secondary, and the Guernsey Institute, a tertiary college in their proposal, for £108 million a difference of £48 million.

245 Now there were some differences in the proposals. There was about £6 million worth of IT built into the two-school model that was presented but there were other differences as well. There was £11 million worth of flood defences built into the three-school model, proposed by a previous Committee, which would have defended over 200 houses in the Cobo area from flooding in the once-in-25-year predicted storm that would overtop at the Cobo slipway.

250 So, there were some differences. But I would ask this Assembly whether or not those tens of millions of pounds of difference would make a difference to the educational outcomes that Deputy Roffey claims a two-school model would deliver, improved outcomes, would have greater impact if they were invested in better teacher education, better classroom facilities, any number of things.

255 But we do not have to worry about debating that today. I just want to set the record straight. Because it will be coming back to this Assembly and that is where we come into another interesting point. We are going to have, when we move onto the Billet for today, a number of Rule 11 questions, which look at extant Resolutions of the States. The fact is that, in our democratic system, a previous States cannot bind a future States.

260 That is absolutely right. You do not want a situation where ... who would stand to be elected a Deputy if you could not change anything? From a public perspective, each election is their one opportunity, every four or five years, four years typically, to go out and say, 'No, we want a different direction. We are electing people on the basis of their beliefs, what they have presented that they will champion on our behalf.'

265 As Deputy Roffey openly admitted yesterday, the public have spoken, I believe, and they do not want the two-school model at any price. Having said which, it is part of the evaluation. The new Education Committee has four new Members on it. A fresh set of eyes who are not tainted by the arguments and differences of opinion in the last States, and they will come back to the States with a proposal that they have helped shape and will take us forwards in that. But then we do come into the problems that Deputy Parkinson alludes to. How do we pay for all of this?

270 It is not just education, it is the long list that Deputy Parkinson alluded to, including I think Deputy Helyar – if I remember rightly – mentioned £132 million worth of Resolutions from the last States that are yet to be proceeded. Now, again, Deputy Roffey alluded to his like of social engineering. I personally do not like social engineering. I find it most of the time to be good in concept, poor in practicality.

275 This States is going to have to revisit a lot of those decisions. We need to go back and actually decide, as a new Assembly, with a new perspective, and in a new environment, what we can and cannot afford to proceed with or what we do and do not agree with. There will have to be some re-evaluation there.

280 We will have to reprioritise everything and look at potentially overturning some of the decisions of the last States and, whilst that may be perceived by some as U-turns, in this environment, we have no choice but to revisit some of this because we simply cannot afford to pay for it. Now I believe that, despite various manifestos, we will have to potentially look at borrowings if we need

285 to. If we want to pursue stimulating the economy, again, we do not have the capital to do it. We
may have to look at borrowings, we may have to look at, I think tax increases of various types will
have to come in during this term. I think it is inevitable.

Personally, as an individual and as a Guernseyman, I do not want to see either and I do not think
in the average person on the street would want to see either but I think it is almost inevitable that
290 a combination of those will be required. The fact is we face great difficulties ahead, very difficult
times. This is not going to be an easy term for the States.

Whatever we do will be criticised. But I am very encouraged by the character of this new
Assembly, which has a totally different feel and attitude than the previous one and I am confident
that we will do the best for our community and I will be supporting all the Propositions in this
295 Budget as amended.

Thank you, sir.

The Bailiff: Deputy Queripel.

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

I will start by saying I was extremely disappointed that only four of our colleagues support the
amendment by Deputy de Lisle and myself yesterday, to reinstate the tax allowance that was taken
away from pensioners not so long ago. For the message to fall on deaf ears left us both disappointed
and totally dispirited.

305 But, in the words of the song, we will pick ourselves up, dust ourselves off and start all over
again. I took great comfort from several pensioners who contacted me last night, who really
appreciated the efforts we made on their behalf and I explained to them that, on this occasion, only
four of our colleagues actually got the message that the majority of pensioners are living in relative
struggle, day after day, financially. But now that Deputy de Lisle and I have raised the issue, there is
310 hope that the remainder of this Assembly will one day get the message that the vast majority of
pensioners in this Island are struggling to survive financially.

Moving onto the Propositions in front of us, I cannot possibly support Proposition 15. That is a
bridge too far, in my view, and as for Proposition 19, there is no way that I am going to support a
Proposition that asks us to agree to Aurigny continuing to spiral out of control. Aurigny have cost
315 the taxpayer something like £120 million in the last six years and to employ the services of a well-
worn phrase, or in fact to misquote it, enough is definitely more than enough.

As I have said in previous debates, running an airline is not rocket science. It is the same as
running any business. You learn from mistakes and you rectify them. I ran my own, successful,
business for 30 years but it did not take long for me to learn that if it is an area where you
320 consistently lose money then you change your approach.

The question I have asked several times in debate, and I never get an answer from anybody,
maybe somebody in this new Assembly will give me an answer, but where is the incentive for the
management of Aurigny to change their approach when they are safe in the knowledge that the
States will continue to bail them out no matter how much it costs? I see nobody rising to answer
325 that question, sir.

The reality is that Aurigny overstretched themselves a long time ago and they over-estimated
their own capabilities by gambling on new routes and buying new aeroplanes at taxpayers' expense.
The vast majority of the previously Assembly and the Assembly before that went along with that
approach, with no intention whatsoever of ever putting a stop to the freefall that Aurigny have been
330 in for several years now.

When he spoke, Deputy Parkinson said, 'We have very little money to spend.' And yet we
consistently give Aurigny millions of pounds, year, after year after predictable, tedious year. Which
makes no sense at all, to me. What we should really be doing is transforming Aurigny, not
continually financing their debts. Once again, I ask the question, in the hope that somebody can
335 answer it, where is the incentive for the Aurigny management team to try to break even, when they
know the States are going to give them tens of millions of pounds, year, after year?

Sir, as a custodian of the public purse my conscience is clear. I have consistently spoken out against Aurigny and the unacceptable service they provide, especially to our sister Island, Alderney and Aurigny's delusional approach to the way they carry out their business. In my view, and I have told them this many times, Aurigny should never have taken on so many routes. Routes that did not have a cat in hell's chance of making a profit. They need not have bought new planes. Why buy when you can lease? That makes no sense at all to me. No sense whatsoever.

They should have stuck with three routes: Gatwick, Southampton and Alderney. Gatwick and Southampton, managed correctly, could have broken even and I just want to remind colleagues, sir, through the Chair, that has always been the understanding between the States and Aurigny that they will break even. That is a joke. It is not even funny, it is pathetic.

It is because of the mistakes Aurigny have made over the years, and the fact that successive States have been irresponsible enough to simply give them more and more taxpayers' money to fund their mistakes that Aurigny are in the mess they are in now. Before any of my colleagues jump to their feet, sir, and ask me questions like does Deputy Queripel not agree with me that Guernsey needs Aurigny, the answer I would give to that is yes, we need Aurigny, we need Aurigny to operate break even routes to Gatwick and Southampton and a route to Alderney that may lose a little bit of money but at worst just incur a minor annual loss, if managed and operated in the way it should be.

By minor, I mean perhaps £1 million a year, not the £5 million, the £7 million, the £9 million, the £11 million, sort of losses that Aurigny asks the States to fund year after year, the pattern being recently that that loss increases to £2 million per year. Predictable, as I said earlier. This issue with Aurigny has been going on since I was first elected in 2012. I sat on the Scrutiny Review Panel, reviewing our air links and which included Aurigny's operational issues. We came up with several recommendations as a result of that review and nothing has changed because no one is listening.

Aurigny are still spiralling out of control and if perhaps the newer colleagues in the Assembly are wondering what I have done about it, I have done a lot about it actually. I offered my services. I came up with solutions to the problems in a previous Assembly, and no one took me seriously.

My offering my services, my coming up with solutions to the problem, was not only completely ignored, from a positive way, proactive point of view, but was even ridiculed by some of my colleagues at the time. Well, pardon me for even breathing, for coming up with what I thought was proactive solutions to very real problems that cost the taxpayer millions and millions of pounds, year after year.

So I have tried my best and given my absolute utmost in an attempt to resolve this problem. The problem being that Aurigny are haemorrhaging taxpayers' money and nobody is doing anything about it. It is not even the elephant in the room. It is obvious. We all know about it. It is right in our face. I can only hope that some Members of this new Assembly may just pick up on what I am saying and we can take a look at the way Aurigny operates, to put a stop to this haemorrhaging of money.

All I can do right now is vote against the Proposition that asks us to agree to Aurigny continuing to haemorrhage money and I ask my colleagues to do the same, sir. The world will not come to an end. The sky will not fall in. Somebody might get up in a speech and say we cannot possibly vote against Proposition 19. Well, I am going to. The sky will not fall in. My world will not come to an end. The world will not come to an end. It is time the Aurigny management were brought to task and challenged and this is the States that could do it.

Picking up on Deputy Roffey's point in his speech yesterday about this Assembly becoming the worst States ever, he said it is going to come. It is already here. On the Monday in the *Press*, after we elected Deputy Ferbrache as our Chief Minister, there were two letters saying this has got to be the worst States ever. There are people out in the community that really think that. They say it has got to be the worst States ever because Deputy St Pier topped the poll and he should have been Chief Minister. **(A Member: Hear, hear.)**

So, how do we counter that? Well, we counter it by being proactive and doing things that are going to benefit the community and transforming Aurigny is going to benefit the community. Sir, in closing, I ask for recorded votes on Propositions 15 and 19, please.

Thank you, sir.

390

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, Mr Bailiff.

I just briefly want to make a few comments on behalf of the Committee *for* Home Affairs but before I do that, through you, please could I thank Deputy Helyar for his clear and measured delivery of this Budget to this Assembly yesterday. Sir, this Budget is welcomed by the Committee *for* Home Affairs, which is supportive of the proposals submitted by the former Committee.

This Budget does not give the Committee everything, but we must accept the situation that we find ourselves in and the impact this last year has had on the States' finances and the economy as a whole. The current economic climate means that, as a Government, we must strive to continue to deliver high quality services as efficiently as possible and target our limited collective resources where they will best be meeting the needs of the Bailiwick.

The Home Affairs Committee recognises the need to prioritise resources but equally it is critical that we maintain high quality services in order to keep the Bailiwick, both literally and reputationally, safe and secure. Whilst we may need to tighten our belts, we must recognise that meaningful transformation needs to be resourced and whilst, as a Government, we need to live within our means, we must not allow ourselves to become short-sighted.

Home Affairs are committed to playing an active role in exploring innovative and new opportunities for working closely with Policy & Resources and across committees, and indeed all political colleagues, the third sector and the community, to deliver the work of Government differently. In this Assembly there is a renewed sense of purpose, a can-do attitude, which Deputy Meerveld has already alluded to.

However, we must continue as we have started, with the open dialogue and working together. In recognising there may be financial quick wins, we must be cognisant of the potential unintended consequences, either on areas of the community, or the resources, both financial and workforce, of other committees.

The Committee is pleased that the former Policy & Resources Committee advise that provisions have been made in the Budget Reserve for funding expenditure associated with Covid-19 measures, or for operational income, adversely impacted as a result of Covid-19.

Sir, I must mention Brexit. The pressure on Law Enforcement at the moment is significant. In addition to their normal duties, there is an increased level of border checks because of the ongoing pandemic and, perhaps most significantly, because of the impact of Brexit. The Committee is fully aware that these pressures will continue well beyond the end of the implementation period at the end of this year.

However, until Brexit actually happens we will not know for certain what our future services will need to look like. Therefore, until then, the real cost will not be known. But, realistically, we must accept that additional investment will be necessary.

The review of economic crime remains high on the Committee's agenda. Officers are being recruited to provide a fully staffed and efficient team. Members will see that I will be providing responses to Rule 11 questions on the economic crime when our ordinary sitting begins. The Committee and the President of Policy & Resources are working to ensure leadership and good governance is in place to ensure that, as a Bailiwick we are in the best position ahead of the Moneyval inspection in 2023.

Thank you, sir.

435

The Bailiff: Deputy Inder.

Deputy Inder: Sir, I did not prepare a speech so the Committee does not really know what I am going to say. I am not even sure what I am going to say at the moment. I am going to start with a

440 Chinese proverb and it goes along the lines of – I am not even sure if it is Chinese, I might have just made it up – it says, ‘Beware how small your dreams are because they may eventuate.’

There has been some fairly miserable speeches over the last hour or so, they are based in some reality but it is worth saying, with the exception of Deputy Kasantseva-Miller’s maiden speech – and she talks about the positivity of going forward. Whether we like it or not, the economy is a confidence trick, or at least a trick of confidence. We can talk ourselves down into oblivion every day of the week. We can make our lives as miserable as hell and it is not the party – I do not mean in a political sense – it is not that kind of party that I want to be in.

I think there are opportunities now and what the newer Members of the States will not know is that there are real differences under this new structure, there really are. Over the last two years, on the previous Assembly, everything felt like a divorce. We were just writing letters to each other. Now, we are actually picking up the phone.

So, if there is an opportunity in the middle of a crisis, I genuinely think, if we take out all of the parties, the affiliations, the non-affiliations, the imagined parties and those that are just generally disinterested, when I look at the body of this Assembly all of you, the elected representatives, all 38 – including our friends in Alderney, I recognise that centrist broad centre Guernsey.

It is not as bad as your affiliations make yourselves look. So I think we are actually in a fairly good place. For our own part, and I will not go over it too much, Deputy Kasantseva-Miller recognises, as I have repeated before, we at EcoDevelopment have got limited levers in the economy. Most of them are elsewhere.

In the last two months we have embarked on the accommodation strategy already. We are going to be looking at allowing certain accommodation to leave the sector, certain accommodation to come into the sector. So, we are starting to look at that tourism sector. This is the action today sort of mantra.

I am already working with Deputy Mahoney with Property Services. For the first time in four years I have direct access to someone who has been appointed at Property Services who is actually responding by email to me on a certain project that we working on. That did not happen in the last Assembly. So there is help there. There are areas within Property Services that could support the visitor sector if we actually look at ... I cannot go into it much now but for the first time we are picking up the phone. Emails are actually coming back to us on a fairly regular basis. It is better news than you think it is, than some will have you say.

In the medicinal cannabis space, there is some good news there already. Our Committee has met a couple of the entrants into the market. There are opportunities there and, within quarter one of next year, we are likely to bring back a regulatory framework that will allow this Island to approve and possibly, potentially, make Guernsey the start of the first well-regulated jurisdiction that speaks directly to the medicinal cannabis framework. So that is happening already. There is still hope in this damned economy.

Looking at procurement itself, those of you who have read the paper will know that we are working with Mr Steele, immediately, and this is being led by my VP, Deputy Steve Falla. Already we are looking to turn our expenditure, that which we expend out every year, we are looking to put another 10 points within the next, possibly year, although I might be pushing it a bit, year or 18 months. Another 10 points will mean that £20 million of the state expenditure will come back into the economy. That is immediate action.

Now we do not need the States to do that. That is just people like the Vermeulens, the Moakes, the Kasantseva-Millers, the Fallas of the world could actually sit down and actually think about things without having to come through this Assembly. If we turn that around, the question you need to ask yourselves is why has not that been happening every year for the last 15 years? Where has been the real focus? It is just people that want to think slightly differently are actually in this Assembly and I am sure, across all of your other Committees, you have got similar people. I can only talk about my Committee because that is what I am working with now, that is what I have seen over the last two months.

495 Tourism. There is two ways about it, it is about to re-imagined and we will get to that later on, probably in January of next year. Of course, Deputy Trott will know, that in front of his Guernsey Finance board he has a document that was put together by his officers, Policy & Resources. Economic Development have commented on it and we are expecting over the next couple of months to get some kind of response and hopefully, via Policy & Resources and this Assembly, we will be investing in our largest sector, which is the finance industry.

500 So, sir, in short, this economy, all economies, are about confidence. They genuinely are. I know that we have got challenges and there is not a lot in Deputy Parkinson's speech I did not disagree it. I just do not want anyone to hear it! But really I just give us all fair warning that we have all got to continue on this current, which feels like, fairly confident path of people working together as much as they can. It just definitely feels different. We have got to basically work our way out of this crisis. It is not going to be an easy ride.

505 Deputy Roffey did say in his speech it is going to be the worst States ever. I do not know if he is softening everyone up for the reality or the next opinion column, but I do not think it is as bad as it is. When I put myself forward, and I am sure I can speak for everyone, I did not think this was going to be easy. You have got Brexit coming down the road, you are in the middle of a Covid crisis. Who on earth put themselves in this position to think this was ever going to be easy?

510 But it does not help by the opinion columnists talking down the economy, talking down the system, talking down the process and I would implore all of you people, without naming yourselves individually, think what you are actually doing. Everything is about confidence and commitment and belief. We can bury ourselves today, tomorrow and the next day and I am asking this Assembly, I implore you not to do it because it is unnecessary. There is a future out there.

Thank you.

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

520 **The Bailiff:** I am going to call Deputy Mahoney next because he will be making his maiden speech, which I am sure Deputy St Pier understands, and I will call Deputy St Pier next if he rises again at that point. Deputy Mahoney, please.

Deputy Mahoney: Thank you, sir.

525 It will come as no surprise to any of you that, as a Member of P&R, I will be supporting the Budget. I have seen at first hand the work that has gone into it and it is no mean feat. I think everybody realistically acknowledges that there are tough times ahead and that the road out of this will be straighter and smoother if we remain as a united Assembly. Any road blocks that any of us throw up will only slow the recovery and hurt us all and the Guernsey people.

530 As a new Member I have sat with interest listening and learning and I was – as it is Christmas, let us be kind – call it surprised, at the comments yesterday and in fact already this morning that this Assembly was disregarding experience. I find myself asking what experience exactly? Presumably, those that were Members previously and were re-elected are exempt from this, so I turned my thoughts to the new Members to see what it is we are lacking.

535 Financial experience? No, there is plenty of that around me. Legal experience? Tick, we have got a lot of that. Business experience, tick. Investment experience, tick. Public service experience, another tick. Life experience? No, too much grey hair on some of us for that too. Then it dawned on me, what we are missing is political experience.

540 Let me now make a bold, sweeping statement. The public do not care a jot about political experience. (**Several Members:** Hear, hear.) They care about the pound in their pocket and getting things done. Period. That is what they want from this Assembly. Not political expertise. But do not take my word for it, 24,627 voters spoke to this very point and elected the new Members, who now fill, give or take 50% of the seats in front of you.

The new 50% of this Assembly includes lawyers, accountants, big business owners, small business owners, managing directors, entrepreneurs, people with dozens of years in the charitable sector,

545 parents, singles, a range of ages. The list goes on. But I am done. So, sir, through you, a plea to the politically experienced Members to remember that each one of us in this Assembly brings something to that table (**Several Members:** Hear, hear.) and each one of us carries one vote. Marginalise us at your peril.

550 As I said in my P&R speech, I have no axe to grind and I have no baggage to drag along with me. I will have a beer with pretty much anyone. But please, play nice. Maybe the new Deputies are bringing a can-do mentality, a looking forward mentality. I am not blind to the real world but if we all take on the persona from the *Hitchhiker's Guide to the Galaxy* of Marvin the Paranoid Android then we will guarantee failure. To take Deputy Inder's point, we can talk ourselves into a hole or walk ourselves to the top of hill. The choice literally sits in this Chamber. Thank you. (*Applause*)

555 **The Bailiff:** Deputy St Pier, please.

Deputy St Pier: Thank you, sir. I stood early to take a round of applause that was due to Deputy Mahoney! (*Laughter*)

560 **The Bailiff:** I hope you enjoyed it.

Deputy St Pier: Sir, I would like to congratulate the Policy & Resources Committee on this Budget. I presented eight and none of them was popular. This one is their first and it is certainly not unpopular. It appears to have nicely slipped below the public's radar. After all, what is there not to like? It is, in many senses, a classic give-away Budget. Spending up and taxes down.

565 I actually have a lot of sympathy for this Committee. They have inherited a draft Budget at short notice and, if I had been presenting this Budget, it would have been very similar to this one; albeit as we said yesterday, it would have raised an additional £2.25 million in revenues. But I am going to be critical of it and I need to explain why.

570 Deputy Soulsby may well already be chuckling to herself and indeed Deputy Dudley-Owen has also recently similarly challenged me on this but I am viewing this Budget through the prism of my new role, not through the prism of my previous roles.

575 The Budget may be largely the same in numbers-terms, but what I observe is in fact the narrative between this Committee and its predecessors, this is actually really rather different. Our narrative, ironically, actually, in view of the speeches just given by Deputy Mahoney and Deputy Inder, I think would have been much bolder and more optimistic.

580 I think we are in an extraordinarily good position, relative to all around us, with every prospect of a very strong economic recovery if we make the right decisions and make the right resources available through the investment in Revive and Thrive, or whatever it is to be called, in exactly the sort of way that Deputy Kasantseva-Miller and, indeed, Deputy Inder has described. I absolutely share that aspiration.

585 I would have also said that the spending budgeted is actually what is needed. We know that we have already an identified gap and an unsustainable tax base and we need to deliver on the tax review that has already begun. Now, the new Committee's narrative is somewhat bleaker and I think that actually was reflected in Deputy Meerveld's speech too. Lots of clouds on the horizon. And the narrative, also, is we have a profligate spending States that needs to be tamed.

So, looking at this Budget through this new prism and faced with a very different narrative, I would not say that this Budget is irresponsible, but it is lacking in courage. Let us start at the beginning. The very first sentence of the foreword, before we have even got to page one, is at best, I would suggest, over-exuberant, or at worst misleading. It says the Budget Report ...

... does not propose any significant measures or policy changes.

590 Oh yes, it most certainly does. Because if Members turn to page 29, they will see from the bottom of the last column on the right, towards the bottom, it proposes an inflation-busting 8.3% increase

in spending, or even ignoring Covid spending provided for, 6.1%, which is explain at paragraph 5.1 on the previous page.

595 Whilst, if we turn to page 40, we will see that at the top of the revenue income, we have only increased revenue from £447 million to £461 million, an increase of 3.1%. Remember that that revenue estimate is after giving away £825,000 in a 1.1% real-terms increase in Personal Allowances, as explained in paragraph 4.2, and after giving up £2.25 million of excise in TRP increases.

600 This mismatch between a large increase of expenditure and a small increase in revenue results in the Budget deficit, on the bottom left of the table, of £23 million, which is a record. Now, I would call that a significant policy change. Now, there may be good reasons for it. Indeed there are very good reasons for it. But let us not pretend that it is not a policy change.

605 And that deficit is, of course, after failing to transfer £49 million to the Capital Reserve and £40 million this year, as Deputy Parkinson, in accordance with the Medium-Term Financial Plan. That, without a doubt, is a significant measure. Let us not pretend otherwise. And with no intended irony, the Committee says at paragraph 1.21 that it ...

... recognises the importance of ensuring that the States are able to invest in infrastructure and is committed to enabling capital investment.

Albeit, that commitment is just fine words and no action. The next sentence must qualify as the political under-statement of the year:

It is therefore acknowledged that this is an extremely short term measure which must be addressed.

610 Actually, I would like to echo everything that Deputy Parkinson said, with regard to the state of the Capital Reserve. We do need to wake up to the reality very quickly and recognise that, like most businesses, we are going to need to start funding most of our Capital Expenditure out of borrowing. Back to the foreword, last paragraph, first sentence, we are told:

In recognition of the pressures being faced by individuals and businesses, this Budget Report recommends that rates of taxes and duties are only increased by the amount necessary to maintain their real value.

There is very little evidence in the Report to support what is a political judgement. Indeed, at paragraph 1.7, just over the page on page two, the Report says:

Should the island continue to successfully manage the public health risk, the resilience of the economy bodes well for a strong recovery in 2021 and current forecasts indicate that GVA is likely to bounce back by some 3.5-4%.

615 So please do not treat us, and more importantly do not treat the Guernsey public like idiots. The decision to hold down taxes and duties is not economic. It is not fiscal. It is entirely political. That is absolutely fine but please just own it as your political choice. Be loud and proud. Be open about it and be honest about it. Do not dress it up as economic necessity.

Whilst we are talking about openness, let us turn to page six, paragraph 1.27. Here we are told that the Committee has agreed in principle to make a loan facility to Guernsey Ports, we are told ...

... as a short-term measure as it is unable to meet its forecast deficits from within its retained reserves.

620 Who are we kidding? This is probably the second largest understatement of the Budget Report. Of course Guernsey Ports cannot meet its forecast deficit from its retained reserves, especially given the appalling trading year it has understandably had this year. But again, please do not try and fool us.

625 There is not a cat in hell's chance this is a short-term measure and I challenge the President of the States' Trading Supervisory Board, or indeed his predecessor, to correct me and I will give way to either if they wish me to do so. But the facts are that if Guernsey Ports were currently a trading company it would be insolvent and this loan is not short-term. I think the use of the term ... I will give way.

630 **Deputy Roffey:** I would put it differently. I think if we were a trading company we probably would have had Covid assistance from Government to bail us out.

Deputy St Pier: In order to prevent its insolvency, which is why we need to provide the funds available now. I think absolutely proving my point.

635 This loan is not short-term. I think the use of the term short-term is as close to being misleading as it is possible to get. It implies to a less well-informed reader that the sum will be repayable. It is only short-term in the timing sense that it is a bridge to a postponed decision to be made a little later down the road in writing it off. What, in other normal capitalised businesses, would amount to a further injection of capital from shareholders.

640 Structuring it in the way that we have in this Budget proposed avoids any further pressure on the General Revenue Account this year by way of a grant to Guernsey Ports to keep it going, in the way that Deputy Roffey has just suggested.

Now, let us go back to the final sentence of the foreword. We are told that alongside the Tax Review ...

... , we need to scrutinise, review and show restraint in expenditure to ensure that the level and cost of public services provided is affordable and realistic.

645 Fine words, but no actions to support them. Because, if Members turn to page 4, they will see that revenue expenditure next year in the top left, is estimated to be £453 million before £17 million, the Covid provision. In other words, £470 million in total. Ignoring Covid, that is still £42 million, or 10.2% above the Medium-Term Financial Plan, which had pencilled in total expenditure next year of £411 million.

650 The Committee are not challenging one of the additional spending commitments set out from paragraph 3.6 on page 15 onwards, or the £10.2 million of service developments at paragraph 3.11 on page 17. Not one, not even a token to show intent. Fine words, no actions. If they truly believe that we need to scrutinise, review and show restraint, why have they not initiated a public spending review to run alongside their Tax Review?

655 Then we turn to page 29, at the bottom of the table in the middle column is a transfer of £3.34 million from General Reserve, which footnote R, in the smallest font possible, tells us is to ...

... fund the yet to be delivered balance of budget reductions for the Committees for Education, Sport & Culture and Home Affairs.

Then in paragraphs 5.15 and 5.24, we learn what action means. Sadly, it is a language of capitulation because it says ...

... given the length of time this has been outstanding and the expectation that no further initiatives are planned which are likely to realise significant cashable savings in the near future, the Policy & Resources Committee considered it appropriate that the outstanding balance should be removed from the Committee's ...

660 ... base cash limits. Why did they not give those savings targets back to Home Affairs and Education, Sport & Culture and say try harder?

Let us go to the first line of defence: 'This happened on your watch.' I will say yes it did and I will own and defend it. The point is, this Committee cannot have it both ways. They cannot have a profligate inheritance from the last States and then fail to do anything – and I mean any one thing – about it. Fine words, no actions.

665 The second line of defence is: 'We are new, we have not had time.' (**A Member:** It is true.) Hmm. That might wash but for the fact that they did have time to make some changes, major in policy terms, relatively small in revenue terms, the £2.5 million to strip out the normal increases in indirect taxes. So, no, it really is not too much, in the light of the fact that they managed to do that, to expect that they might just have taken one action – just one – to show intent. Surely there is one thing they could have done to support the fine words? But no, nothing. Rien. Nada. The spending proposals
670 are completely unaltered. Fine words. No actions.

The Bailiff: Deputy Gollop.

675 **Deputy Gollop:** It is difficult to follow some of these interesting flagship speeches today but I first of all want to comment and talk about – or maybe not talk about actually – what Deputy Queripel said in relation to Aurigny, because he referred to Proposition, I think, 19 of the Budget, but also 34, 35, 36 and 37.

680 Now, of course, I have been a user of Aurigny to Alderney and other places but as a former Member and current President of the Transport Licensing Authority, I am very conscious of the fact that we have a neutral, impartial stance towards all airlines and all operators and it is only a coincidence that one of them is indirectly owned by the States of Guernsey. So, for those reasons, I will not comment on Aurigny Budget aspects and I will also request to abstain from voting on those Propositions: 19, 34, 35, 36 and 37.

685 Certainly, we have had a few masterclasses today in Budget analysis from past Treasury ministers and other gurus, perhaps. But I have just brought together a few strands from my perspective on general issues. You may have noticed that I did vote, perhaps in a slightly, some might say irresponsible or populist way, for the return of the older persons' allowance yesterday, which could have cost the States £4 million.

690 Of course, had it gone through, doubtless the elderly would have injected that back into the economy in one way or another, for the most part. But we did indeed hear passionate arguments from Deputy de Lisle and Deputy Queripel about the hardship some people may follow. Whilst entirely agreeing with Deputy Roffey, as quite a long-term Member of Social Security, that we should not use pejorative language that discourages people from seeking help from what is a very kind, compassionate and professional organisation – and I know Deputy Queripel acknowledged that – nevertheless there are people in our society who are not necessarily in the situation whereby they are eligible for help.

700 Deputy Queripel, himself, raised an example of somebody who possibly had savings above the limit, which I think is an issue we need to look at anyway, but who are suffering relative hardship or at least not the prosperity some of us enjoy. I think that should be a priority for the new States to look at that and I was heartened to hear from Deputy Roffey yesterday and today that he thinks, and we have had assurances in Policy & Resources, that they will consider, with an open mind, a recreation for a modern age of more targeted tax allowances and marginal tax reliefs and so on. Because it could be that that is a formula that, on the one hand, maintains a cap on loss of revenue to public expenditure but at the same time eases issues for some people.

705 I come across, for example, a senior citizen who is in their seventies, perhaps, who still works, gets a States' pension but is not really prosperous, especially with increased charges, rents, waste costs, electricity, whatever, to pay. So I think that there is a conversation there.

710 I apologise if I misled the States a bit yesterday, which I possibly did, about the percentage of the population who smoke. I thought it was somewhere around 25%; used to be a third. According to the figures, I think it is lower than that, more like 13%, 14%, 15% and even lower amongst younger people, thank goodness. The education and health motivation campaign has had some impact.

715 But I did hear some Members say that it might be proportionately higher amongst some middle to older people and some lower earners and I would argue, from the research I read yesterday – it relates to England but I think it possibly applies here as well – that people who suffer from stress, from mental health issues, who for various reasons are allergic to alcohol or other drugs, there is a tendency for that need group, rightly or wrongly, to smoke cigarettes more intensely. It can rise to perhaps 60% of a particular demographic in a circumstance.

720 Likewise, we know there are alcohol addictions. So, I think, much as we need to discourage anti-social activity and so on, we have a duty not to be overly harsh about increasing micro-rates of inflation and cost of living. So, I think, on balance the more moderate Policy & Resources stance of RPI is the way to go.

Now, I well remember a TV documentary I saw many years ago about a lady, I think, called Vivian Nicholson, who won the pools and it did not bring her great fortune in the long term. But the play

725 was called and it became almost a catchphrase, *Spend, Spend, Spend*. I incline, I must admit. To a bigger Government than I suspect some Members of the Guernsey Party would like to see.

I suspect, whether I like it or not, Deputy Parkinson and Deputy St Pier are right in agreeing that, if we are to avoid the calamity Deputy Meerveld reminded us of today and achieve the positive visions that Deputy Inder and Deputy Kasantseva-Miller pointed out, we will actually need the cash of the three evils in the short-term. Borrowing, using one device or another, is less painful than cutting expenditure, especially for the most vulnerable in our society, or on infrastructure. Or increasing taxation.

730 Of course, this is the landscape for 2020/2021 and we may be in a different economic universe within a year or two. We have heard really positive views from Deputy St Pier, Deputy Trott, that we are in a better position than much of Europe and the rest of the world and superficially that is true. We have heard more cautious views as well.

735 I too, I am not much of a scientist. I studied social sciences at university and I suppose that makes me a kind of social engineer. I am certainly not a very good mechanical or technological or computer engineer. I think politics and social engineering cannot entirely be separated because I think it was Deputy Roffey who said why do we put duties on alcohol, petrol, cigarettes and not on bread?

740 We have seen in the past, there were I think bread taxes at one time and it did not end well. I think it was pre-revolutionary France. Social engineering is not just a leftist or social democratic device. It applies to the right as well and I would argue, when I first became a Member of this Chamber, we had quite a lot of people who were social engineers – although they would not have given themselves that title – and they were working hard to make us a prosperous, property owning society for example. There was a whole culture of giving loans and land to build your own homes and things. That was engineering and training society so that we were not quite like Glasgow, where at one point 75% of houses were in public ownership.

745 So, social engineering is intrinsic politics. It all depends on which direction you want to go in. Do you want strict planning, do you want lax planning? So I do not see any problems with a Budget having an element of social engineering in and yes, we are probably in our honeymoon period, and yes I think we do have a duty to get going with the blue economy. Blue in the nice sense, with the marine technology.

750 What I would say is, although I have found in recent months that I am probably three quarters of the way, not in alliance but in agreement with many of the new, independent Members and also many Members of the Guernsey Party, there are two areas where I think I differ. One is I think the need to retain and maintain and enhance our social fabric to ensure that the less fortunate improve, if anything, their position in society and not lose it.

755 The other area would be the very complicated area that is too big to get into today really. But it is what percentage of our economy or national product do we use on public expenditure? Figures, 21%, 24%. I suspect that it needs to be higher than that long-term. But it does not mean to say we just increase taxes, willy-nilly, we should actually reduce a lot of taxation in certain areas.

760 I do think that our demographic challenges and our need for a state that has the capital to regularly invest in society, in business, in property development occasionally and in infrastructure, including harbour developments, maybe an airport runway – who knows? – we actually need more security of money behind us and I think the last decade, perhaps, has seen a few wasted opportunities because we have not really been accruing the nest egg to spend. But I do support most of the Propositions in the Budget.

770 **The Bailiff:** Deputy Burford.

Deputy Burford: Thank you, sir.

775 I am speaking in the capacity of the President of the Scrutiny Management Committee. I would like to begin with comments, which accompanied the 2021 Budget Release, made by Peter Ferbrache, the President of P&R, and our *de facto* chancellor, Deputy Mark Helyar, the Treasury lead for that committee.

Deputy Ferbrache said:

We are in a far better position than many other jurisdictions and far better than we might have expected.

On the other hand, Deputy Helyar, no doubt warming to his Treasury role, countered with:

We need our political colleagues and the community to be very realistic about our financial situation and how we spend money going forward.

I think, in many ways, this half-full, half-empty juxtaposition of two senior Members of P&R, sums up the actual position quite well. The impact of Covid is very significant for the Island's finances but it could have been very much worse. The far-sightedness of those who previously sat in those seats, who built the Core Investment Reserve, with its stated purpose as a rainy day fund, should be warmly thanked as we started this very rainy year in a far better position than many pleases.

Of equal importance within this Budget is to be mindful of the significant financial effects of the pandemic, alongside know cost pressures, identified in the snappily titled 'Review of Fiscal Policy Framework and Fiscal Pressures' policy letter, which was debated in January this year. These cost pressures were estimated at being between £74 million and £124 million, in addition to lost revenue of £8 million *per annum*.

Any reading of this Budget has been solely focused on dealing with Covid issues, would be to miss one of the key drivers impacting on States' future expenditure. I am therefore pleased to have it confirmed by the new P&R that they will investigate these previously identified cost pressures to fully establish their potential future impact, so that balanced decisions can be made concerning them.

I now turn to the specifics of the Budget itself. It is important to separate the actual Budget presented from some of the rhetoric being used. This Budget represents a very significant increase in public spending. Much of the commentary around this Budget in the media has been focusing on how we spend public money, going forward, and the need for fiscal prudence, particularly about the fact that the Budget outlines a £36 million increase in spending, which includes over £12 million extra spending that is not the result of Covid-19 expenditure or arising from policy changes in the last term.

Whilst a reasonable part of this Budget maybe the work of those who previously sat in these seats, accountability and the need to deliver improvements on the back of this significant extra level of spending, now sits firmly with this Committee and indeed this entire Assembly.

Moving on, my committee welcomes the fact that, after publication of the Scrutiny Management Committee's recent Capital Allocation Review, and it's recommended therein, the capital allocations for property maintenance and minor works are to be increased significantly to assist with the clearance of £30 million maintenance backlog. This move is long overdue and eminently sensible.

My committee notes that there will be no transfer to the Capital Reserve, given needs elsewhere. This may be an understandable move in the light of the lack of large projects recently and the resultant accumulated balance and the effects of Covid, together with the necessary pacing of capital spending in future.

However, over the medium-term it will inevitably have a significant effect on what can be achieved and, of course, if the promise to streamline capital processes is realised, then ready funds will be required to bring them to fruition and it will be good to know how P&R intend to deal with this looming issue.

I now turn to the request from P&R to substantially increase their delegated authority in respect of capital projects, from £2 million to £5 million. My committee is hopeful that if this Proposition is agreed, it will enable more efficient and timely decision-making. However, it would be remiss, if I did not mention that, inevitably, the substantially increased autonomy for P&R, will be balanced by the SMC substantially increasing their scrutiny of such spending.

820 On this point, I think Members might find it useful if a list of agreed projects in that year could be published in the accounts so that all political Members and members of the public are aware of the use being made by P&R of this substantially increased additional autonomy.

825 Lastly in this section this Budget is compiled on the assumption that the rate of inflation will fall to 1.5%. The transparency about what informs this forecast is quite refreshing. Such forecasts are not easy, even in more usual times, and to quote another chancellor, Nigel Lawson, the Treasury have enough trouble with forecasts, even when they are trying to get them right. My committee is very concerned, however, at the relinquishing of the increased income from Excise Duty rises at a time when revenue is under such pressure. **(A Member:** Hear, hear.)

830 I now move on to two specific questions raised by my committee regarding this Budget. First, and notably, Policy & Resources' expenditure increased by £7 million in 2020 for support services and it is anticipated to increase by another £4 million 2021, which is support services and staff non-paying costs.

835 Whilst the Scrutiny Management Committee appreciates that the property function has been transferred back to P&R, from STSB, with a substantial budget, it certainly does not appear to justify the entire increase in the figures provided. We would therefore appreciate a break-down of this increase. In difficult times it is important that the Policy & Resources Committee shows leadership and seeks to effectively contain their own costs, rather than just focusing on reducing costs elsewhere.

840 I now turn to information technology costs within the Budget. My committee notes that there is a proposed increase of £11.7 million in the IT category, in addition to the existing minor capital budget of £6 million. In addition, there is £26.9 million allocated for the improvement of IT business as usual and an additional £16.7 million for a programme of digital transformation, which was agreed by the States in June 2019.

845 In the P&R 2021 Budget for information systems and services there is also an allocation of £17.2 million. Adding this up as we go, this is a total of £78.5 million of spending allocated within this Budget on information technology alone. This appears to be potentially in addition to the £20 million previously agreed for the electronic patient record system in Health & Social Care, and £17.1 million previously agreed for the Revenue Services transformation.

850 In these circumstances, my Committee would appreciate a full breakdown of all the anticipated IT spend for 2021, together with a list of deliverables that this Assembly can expect to see, resulting from this very significant level of IT expenditure.

Thank you.

855 **The Bailiff:** I am going to call Deputy Fairclough next to deliver his maiden speech, so Deputy Fairclough, please.

Deputy Fairclough: Thank you, sir.

860 First, may I commend Deputy Parkinson on an excellent speech. A dose of much-needed reality. But I also welcome the optimism of Deputies Inder and Mahoney, in particular.

Broadly speaking, I support the 2021 Budget in light of the funding necessary for Covid response and recovery and the need to fund the deficit. A standstill Budget, a holding Budget – just two of the descriptions we heard during debate yesterday. Like Deputy Meerveld and others, I feel the true and full cost of the pandemic for us here in the Bailiwick is yet to be truly realised. Hence, my restraint in committing the States to further expenditure through some of the amendments we have debated.

865 I welcome the increased funding for NICE drugs and treatments, as well as reductions in the rise of duty on fuel and TRP, but there remain significant areas of concern. The cost of Aurigny to name but one. P&R is itself urging restraint in adding to the cost of public services. The question is which services will or can be cut, not developed, or under-funded? Only time will tell, perhaps, as the recovery strategy is developed.

What about the restraint that is needed to curb public spending? We are told in section 3.15 of the Report that we can expect £7 million of recurring savings in 2021 from various initiatives, including organisational and service design, procurement, the revenue service and other areas. Well, if these savings are to be realised, we need to see a sea change this term.

875 When you consider that in 2020 savings targets have been some margin, £970,000 versus a target of £2.7 million. Covid-19 is blamed but worryingly, no savings are expected this year against, for example, property rationalisation.

I would like to draw Members' attention to something that has been mentioned by my colleague, the President of Scrutiny, Deputy Burford, the use of delegated authority by P&R. I note the use of the Transformation and Transition Fund for, in particular, organisational and service design. We are told that the authority was expanded to the tune of £8 million to incorporate work on progressing the following savings initiatives: Future Digital Services, procurement, managing sickness, overtime and allowances, property rationalisation and the Revenue Service, as well as the oversight of public service reform as a whole. I will follow these with interest.

885 It should be noted that two principles of the self-imposed Fiscal Policy Framework have been broken, namely principle six, which states Capital Expenditure falling below 1.5% of GDP; and principle seven, with total debt exceeding 15% of GDP for the first time, at some 16.5%. The warning signs are there.

Pay costs remain a concern, up 6.32% from the 2020 original Budget, to 2021 Budget, some £14 million. Deputy St Pier has already brought our attention to the 8.3% increase in cash limits in the current year.

I mention the States-owned airline and in section 6.36 on page 44 of the Budget, P&R says it has identified discharging the commitment to develop a co-ordinated and coherent Government framework for consideration of all aspects of air route operation as a priority. I look forward to hearing the details of this framework early in the New Year.

895 So there is much to do and consider as we continue to plan the Bailiwicks recovery from Covid-19 and post-Brexit. Bigger decisions and challenges lie in wait in the months ahead, that much is clear. As Deputy Roffey said, the reckoning is coming. We are currently experiencing the calm before the fiscal storm and the hard work is just beginning. For now, I thank the staff and Members of the Policy & Resources Committee for compiling the Budget against a backdrop the like of which we have never before experienced and I will be supporting all the Propositions as amended. Thank you, sir. *(Applause)*

The Bailiff: Deputy Dudley-Owen.

905

Deputy Dudley-Owen: Thank you, sir. I will truly be brief.

The Education, Sport & Culture Committee has accepted the Budget position that is essentially inherited. We are pragmatists on the Committee and have a realistic view of the tough landscape that lies ahead this term. I think the work that has gone into preparing the Budget has been exponential and the speed at which it has been prepared and the realism with which it has been delivered has been refreshing.

I would like to comment on some of the excellent maiden speeches made today. I think it has been a really good opportunity for listeners and the community to hear some of the calibre of the new Deputies that have arrived in the Assembly. **(Several Members:** Hear, hear.) I think they were notable and they were all excellent but the standout one for me was Deputy Mahoney by a smidge and it really does capture, I think, the spirit of how we really need to leave the past behind us. It is, essentially, another political country.

915 We need to step into a far more confident and upbeat mode in the way that we work with each other and it is disappointing that still we have some individuals dragging us back to a position that we really do not need to be in. So I would really push my colleagues, those of whom who still want to hang onto the bitter remnants of last time, to just put it behind you. Please, it is Christmas lunch today, let us go into that lunch with a sense of togetherness and Christmas cheer.

920

I am afraid that with the exception of Proposition 19, around Aurigny, that is the only Proposition that I cannot support for the reasons that Deputy Queripel has, so well, articulated today. It has
925 been a bug bear of mine for many years now. It is something that can be done better and should be looked at with some urgency. But otherwise I am absolutely supportive of the Budget, as has been presented, very capably, by Deputy Helyar this debate.

Thank you very much.

930 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, sir.

HSC welcomes the 2021 Budget. It is, of course, an unprecedented time for health and care, this
935 is both not only locally but globally, and this will continue into 2021. Locally, we have seen expenditure incurred responding to the threat of the pandemic, along with reduced operating income. This has affected the Committee's financial position.

Overall, this has now been offset by reduced activity in other areas of the Committee's mandate, most notably due to the current difficulties commissioning off-Island treatments. Once these services resume, however, such expenditure will be incurred and therefore should not be considered
940 a saving.

In this context, the Budget submission put forward for 2021 by HSC was a pragmatic and proportionate recognition of the pressures facing the States as a whole and the capacity of HSC to progress further service developments at this time. Demands on health and care will always exceed the funding available but HSC will work hard to be within budgets allocated by yourselves.
945

Thank you very much.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, I think it would be remiss, even though I am not presenting the Budget,
950 for the President of Policy & Resources not to speak, so let me do that. I have not prepared a speech and indeed the points that have been raised by various speakers in the course of the debate will largely be taken up by Deputy Helyar.

Let me just start with Deputy Helyar because Deputy Helyar is a very able person, as those of us who have known him for some years know. But all he had said before yesterday in the States was
955 'Pour' or 'Contre' or 'Present'. So, to have to present a Budget in a very difficult set of circumstances as your first major speech to the States is a considerable task and he discharged it with aplomb and with considerable skill, calmness and balance. I am very grateful to have somebody like Deputy Helyar as our *de facto*, if not *de jure* chancellor, hopefully for some years to come.

In relation to experience, Deputy Mahoney I think made an absolutely brilliant opening speech,
960 his first speech. Now I have had the opportunity now, of working with him for the last seven or eight weeks. I know what a talented person he is and what a contribution he will make to Policy & Resources. Deputy Inder has already alluded to that, the new openness of the discussion they are having on the topics that they are dealing with.

He was both right and he was wrong. Where he was wrong, to say that political experience does
965 not matter a jot – to the public, he said, rather than to the thing – is not necessarily correct. Because it is more than addressing a person via the Chair, I know that is very important to some people, or not referring to somebody by their name. In relation to that, you have got to know your way around. It helps to have some people knowing their way round.

I think we have got the balance about right, because it is roughly 50-50, I do not know what the
970 exact arithmetic is, of people with political experience and those that are without. But, as Deputy Mahoney has said, what matters most is judgement and experience in life, the qualities that we bring to the States, the experience that you have and the abilities that you can use to discharge your duties as a States' Member.

975 Now, those are considerable, because Deputy Mahoney has talked about people having grey
beards – he figuratively and literally has one. But in relation to that, somebody like him, he has
experience from a financial services background over the last 30 years or so, many of those in this
jurisdiction. Other people have broadcasting experience, they know how to deal with the public. We
have heard that from, again, a very able speech made by Deputy Fairclough just a few minutes ago.

980 All of that is in the mix. Now they do not know, they have not served on this Committee or that
Committee until very recently, not just them the other people who have recently been elected, will
be able to discharge their duties I am sure admirably over the next four-and-a-half years. But when
we look at the finances we are in a pickle. We are in a difficult situation. We are in a unique and
sadly not good unique situation.

985 Now Deputy Burford, in again a very good speech I thought she made, highlighted comments
that I made and highlighted comments Deputy Helyar made. There is no inconsistency between
those because what I was saying, I think, is true, in that we are in a better position than other
jurisdictions, and what Deputy Helyar was saying is yes, but we have got to get out of that and there
are not sunlit uplands just yet. But we will get there.

990 Now, when I heard Deputy Parkinson's very able speech, it reminded me of the hymn, the bleak
winter or whatever it is, I cannot remember the exact words. I thought I would rather hear *Jingle
Bells*, but the reality is somewhere in between. Because Deputy Parkinson told us about all of our
problems and we do have a massive difference between what we can actually afford and what we
need to afford. Some of those are aspirational, all of those are veritable. But we need to be able to
get there at some. It is going to take a long time.

995 But what you do not do, unless you are particularly gloomy or depressive, is say, 'I cannot do
any of those things, so therefore I am going to do absolutely nothing and just sit on my haunches
for the next four-and-a-half years ...'

1000 Deputy Parkinson finished his speech by referring to vision. I would have liked Deputy Parkinson,
who is a very experienced and able person to impart some of that vision. Not only for the benefit
of me, but also for the benefit of my colleagues in the States and for the benefit of the people who
are listening to this broadcast, to this States' Assembly. Because that is what we need.

1005 In my life, I have held various positions. I have not just been a humble – very humble – litigation
lawyer over the last 40 years or so, I was also the non-executive chairman of a bank and I have held
financial, non-executive positions, in leading financial institutions. I also have been a professional
for a number of years. I have run businesses. I have owned my own businesses, which have nothing
to do with law.

1010 In that, I have decided the only way I realise that you can get on and achieve things is to delegate
to people who have talent. Because any person who thinks they have got all the knowledge, all the
talent and all the wisdom, is a complete fool and is a narcissist of the greatest proportions. Now, in
relation to that, I have done that all my life. Sometimes it has worked, sometimes it has not. But it
is not going to stop me doing it, as I have done it on this occasion and I am doing it in the future.

1015 I think we have been very fortunate in the short time that I have been President of Policy &
Resources because the four people that occupy Policy & Resources with me are all very able people.
Some have political experience. Some do not. But they all bring a great contribution to the States.
What I decided to do, with their co-operation and their full co-operation, was to divide up the tasks.
Therefore each of the five of us have various areas of responsibility and we are all equal.

1020 In that regard, therefore, Deputy Helyar will be leading the fiscal aspect, the Treasury lead,
whatever you want to call it, for the next four-and-a-half years. And he will have the full assistance
of his colleagues at Policy & Resources. And I hope he has the full co-operation of this Assembly.
Because we need to be united. We need to move forward in a united front.

1025 Undoubtedly, and we have seen evidence of it over the last seven or eight weeks, some of the
people who thought that they might have occupied certain positions, are finding that difficult to
accept. Well, they have to accept it. The carriage has moved on. The train is not in the same station
as it was just two months ago. It has got to go lots of uphill, some downhill, some gradients will
be difficult to ascend and some tasks will be difficult to lead. But we have got to do that. We have

got to put our personal considerations, our personal egos, our personal affronts, it may be, behind us, and work together.

1030 I thought that the amendment that was made by Deputies de Lisle and Queripel yesterday was a good amendment in the sense that, although it was heavily outvoted, they were saying something for a significant part of our community. They were saying for the elderly in our community, 'Please help us.'

1035 Why I could not vote for it was twofold really. Firstly, we cannot afford £4 million. We just simply cannot afford £4 million in our current fiscal position. Secondly, it was a blunt instrument because it was seeking to help all pensioners and there are a number of pensioners who do not need that assistance and there are a number of young people who do need the assistance. The £4 million or part of the £4 million that would have been given to pensioners that could have afforded it, could have been used if that money was available, which it is not at the moment, to others.

1040 Now, there is a song, my good friend Deputy Queripel knows all about these, called *The Young Ones* by Cliff Richard. There was a couple of lines in it. The young ones are the important ones and they need to live and love because you are not young for very long. I am not quite paraphrasing that. The point in relation to that is that we need to bring our young community with us. We need to recognise their aspirations as best we can.

1045 What we also need to do, to that very important part of our society, is say to them, 'Please stick with us. We know it is going to be difficult for you, because you are the ones that are more likely than not are going to feel the repercussions and the shockwaves.' Deputy Meerveld was right in his synopsis, of the situation, more than most. Because you have got your lives, you are in the early part of your lives, you are looking to buy a house, you are looking to rent a property, you are looking to have security of employment.

1050 That is going to be difficult going forward. But if we all stick together and if we all paddle in the same direction, not too many going the other way, if we all do that, we have got more chance of doing things. Now I believe that the economy will rebound. I do not think it is going to rebound in such a way that all of a sudden the problems are behind us.

1055 The excellent speech by Deputy Kasantseva-Miller was right in that we are coming out of Covid but we have got a long way to go. We are probably three tenths of the way out but we have got the other seven tenths and some of those seven tenths are going to be very difficult to achieve. So, the Budget that is being led by Deputy Helyar is exactly the right Budget at the moment. It is not irresponsible, it is not negative, it is doing the best that we can.

1060 Now, knowing, as I say, Deputy Helyar as I do know him and knowing the person, the drive, the energy and the foresight that he has got, he is going to be taking us forward as a Committee and we are going to seek to take you forward, this Assembly forward as an Assembly, and say that over the next period of time, once we have got our feet under the table, once we have had the opportunity of considering matters more, that we will have to be more aspirational.

1065 But we have also got to tinge and taint aspiration with realism. We have got to be realistic because some of the services that the States currently provide I do not think will be sustainable going forward in their current form. But I do not have the wisdom, the knowledge or the experience, yet, to be able to say, 'These are the cuts we should make, those are the cuts we should make.' But there are cuts that we should make. We should be outsourcing work, we should be saying to certain thing and in certain instances that we cannot do that any more.

1070 People are not going to like that and Deputy Roffey was exactly right when he said that people, when their services are being cut back, will in some way baulk, or some of them will. They will. But we are going to have the conviction as an Assembly, to say, 'I am very sorry about that but in a period of the life of this Assembly that is what we are going to have to do.'

1075 Because we all will be unpopular. We were at our most popular when we came out of the election just a few months ago. Everything after that is downhill for all of us. We have got to realise that and we have got to live with it. But that is not the important thing. Because we should not be here for us, we should be here for the people of the Bailiwick of Guernsey.

1080 Now, Deputy Queripel, I would have been disappointed if he had not said it. But did speak about Aurigny and he spoke about it with conviction and it has been a consistent theme of his over the last four years or so. I fully understand it. To be coming here and saying, 'Look, Aurigny has got a shortfall of over £20 million in 2020 is concerning,' a lot of that is down to Covid. A lot of that is nobody's fault. And it is going to have a shortfall of £14 million-ish, or £9 million to £14 million, I do not know the exact figure, we have done the best that we can on the information we currently had at the time of the Budget and at the time we are standing here now.

1085 It is a concern but we have got to move forward with that. He said well perhaps we should just do Gatwick and Southampton. That is a matter that the new management, and it is brand new management they are hot off the press, will be looking at in any course. I have no doubt that the able President of the States' Trading Supervisory Board has already got that on his agenda. We certainly have got it on our agenda in Policy & Resources.

1090 But Aurigny will be with us and I will be thankful that Aurigny are with us. We did not have to lend another airline, as our neighbours did, £10 million to make sure that we had some air links with the mainland recently. We did not have to do that. We have got control of our own destiny. The destiny and where it takes us may well have to change.

1095 So there are things that we have got to look at. Deputy St Pier said the loan to ports cannot be a temporary loan, you happily described that as a short-term loan. I appreciate he is a very able person and I am not an accountant, but it fits the appropriate definition of a short-term loan. In relation to that, it may well be, well perhaps it may be, not well be, it may be that that has got to be looked at in a different way in the next 12 months, in the next two years. I know not. That is not a decision that we can make at the moment.

1100 But the fact is it falls within the definition of a short-term loan. So nobody has been misled and it was money that was absolutely necessary, so that the ports, which have been again decimated by Covid, through no fault of theirs, have had to take advantage of, in the sense of get the loan from the States, so we can keep going. What are we going to do, close the ports? Of course not. It is not a practical alternative.

1105 Also Deputy Parkinson was saying it was a misguided decision to spend the £32 million to £33 million and fund it in the way that we did. Well, I just look at it and, being a simple man, I look at it and say, bearing in mind there was a shortfall between income and expenditure, if we had have had to pay, if the relevant authority had had to pay interest on that loan at the rate specified under the bond, would not the gap between income and expenditure have been greater? Because, if you have got to pay more when you cannot afford to pay more, the only way you can do it is by having greater debts. Anyway, enough from me. You will hear in due course a lucid, balanced, sensible conclusion from Deputy Helyar, which I am sure you will all follow.

Thank you very much.

1115 **The Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

1120 I agree with those who have commended those who have made their maiden speeches in this debate on the quality of them. I think we are very lucky to have those and I look forward to more of the same. I do not have a particularly cohesive speech. This is a random assortment of comments. I will not be alone.

1125 But I will start with agreeing with Deputy St Pier that we are in a relatively good financial position and I think the relatively is all important. Certainly, when I was reading through the Budget Report, I pulled out a quote, which was in abbreviated fashion this: comparison of data show that in general those countries least impacted by the pandemic economically are those which have been most successful in containing the public health threat. While it is necessary to balance risks the two objectives are aligned.

I think that is an important comment to bear in mind and I think it is very true. I think, actually, the same will be true of climate change, as it happens. It is important to recognise that our economy

1130 is shaped to some considerable degree by the macro-economic factors that we have very little control or influence over.

1135 We are a small Island and we cannot insulate ourselves from the global economic context. Now, I am a natural optimist, and I agree with Deputy Inder that confidence is a crucial component of a thriving economy, but I do not think we should let optimism and confidence blind us to reality. There has been some talk about the worst States ever and it is tempting to sidestep that but I think there is a degree of inevitability.

1140 I do not necessarily agree with Deputy Meerveld that it is just because people are looking for someone to blame, I do think it comes back to these macro-economic factors and I think that is why actually the previous, maybe three, Assemblies have also been the worst States ever because they actually they had to operate within the broader context of a financial crash and a global economic downturn. There is only so much that we can do internally to influence our economy when we have got such significant pressures from outside. I just think it is important to recognise that.

1145 That said, I will remind everyone of the optimism of Deputy Kasantseva-Miller's speech and I do completely agree with her and I think we absolutely must do everything we can to support our economy and through it our community with whatever decisions we can make. I think Deputy Parkinson was right to warn of the serious consequences of under-investment in our critical national infrastructure and that is something that E&I is very keen to ensure does not happen.

1150 As I made clear in the update to the Assembly in the last Meeting, setting out the Committee's stall, infrastructure is a huge priority for us. I was slightly amused that, even though 60% of that update statement focused on infrastructure and a mere 15% related to the environmental aspects of our mandate, that I still managed to get the question, 'What about infrastructure?' There was still even a piece in the *Guernsey Press* that basically asked the same question, which maybe points to the fact that sometimes people hear what they expect to hear.

1155 But I will take the opportunity to reiterate and stress E&I's focus on the importance of investment in infrastructure and I very much hope that P&R and the Assembly will support us in achieving that aim.

1160 I did not speak in debate on the second de Lisle amendment yesterday but it has been raised a number of times in General Debate and I will make a brief comment relating to it because it speaks to a broader point that I think is important to make. I hope that everyone paid heed to Deputy Queripel's moving examples in his speech yesterday afternoon of people who are struggling and those examples are sadly very real and I hope that the States will do everything we can over this political term to tackle those problems.

1165 But I think it is also important that decisions we make are informed wherever possible by evidence and I am not aware of any evidence to support Deputy Queripel's claim that the majority of the Island's 18,000 pensioners are struggling to survive. In fact, the evidence suggests that, well some of the evidence at least suggest that while some older people are struggling, younger people in our community are in fact more likely to be struggling financially.

1170 For example, to quote Deputy Soulsby's favourite piece of evidence, the Joint Strategic Needs Assessment for people over-50, identified that 96% of people over 50 kept comfortably warm in their house last winter, compared to 90% of the under-50s. Now obviously we want 100% of people to be in that position but it is interesting to note that it is people under-50 who struggle more in that respect and similarly 80% of over-65s said they could afford a necessary but unexpected expenditure of £100, compared with just 65% of the under-50s.

1175 Deputy Roffey yesterday made the argument, and I do say this as someone who seconded his attempts to protect the Age-Related Allowance, Deputy Roffey reminded us that older people do incur additional costs and he is certainly correct in that, although there is another argument that tactually people at other times of life, and I know Deputy Oliver will agree with me here, for example people with young children incur costs at those particular times of life as well, that they might not necessarily incur at different stages.

1180 This just points out to the swings and roundabouts nature of financial pressures and difficulties. The point is that different people and different families will need different levels and different types of support at different points of their life depending on their individual circumstances. I say this simply to highlight the importance of targeting.

1185 Deputy Roffey said once that in removing the additional tax allowance in the 1980's that Guernsey 'sacrificed fairness at the altar of simplicity'. I very much hope that this States breaks with that tendency and targets support where it is most needed in the upcoming Fiscal Review. In fact, I think I cannot afford not to.

1190 I am delighted to hear noises, including most recently from Deputy Ferbrache, supporting this approach. I really hope it is a stance that this Assembly embraces and we are bold enough to take a much more targeted approach going forward.

1195 Aurigny has had a few mentions and again I will agree with Deputy Ferbrache. I have been one of the many people I think who have said that. I think we need to redefine and be much clearer about Aurigny's role going forward. But I cannot see that voting against Proposition 19 will achieve any of the things that Deputy Queripel wants to achieve. In fact, I would be amazed if any airline in the world right now manages to break even this year. I think they are doing well just to survive.

1200 But before voting down Proposition 19 I think we should consider whether we would like Aurigny to be there on the other side of the aviation crisis. I support Deputy Ferbrache's comments and think the fact that we have owned our own airline has played a key positive role in several respects, actually, in how we have managed our borders and handled the pandemic. Perhaps Deputy Helyar, when he replies to the debate, might touch on the consequences of Proposition 19 falling.

1205 Social engineering is a term that has crept into this debate a few times now. It certainly has a very sinister tone to it, does it not? It sort of conjures up the image of an evil despot manipulating things to some dastardly agenda. Certainly, history is not short of examples of people doing exactly that but I do have a different perspective to offer, particularly to Deputy Meerveld. Social engineering is defined as the practice of making laws or using other methods to influence public opinion and solve social problems or improve social conditions, which I think is a pretty good summary of our job description.

1210 Every policy we design, every law we introduce, every adjustment to our tax and Social Security systems, every information campaign, every speech is designed to change to a greater or lesser extent the way society functions, ideally for the better of course. So tightening up laws on money laundering or reducing public expenditure or slashing regulation are all examples of social engineering. We are social engineers by definition and if we are not prepared to pass laws and make policy decisions to solve social problems and approve social conditions, then we will not be doing our job.

1215 So, I very much hope that we can move away from the sort of ideological jousting around this particular term, which I do think is unnecessarily divisive and I hope that in the spirit of Guernsey Together we will just focus on doing our jobs. But I do commend P&R for this Budget and I will be supporting all the Propositions as amended.

Thank you.

1220

The Bailiff: Deputy Trott.

Deputy Trott: Thank you, sir.

1225 Deputy Ferbrache has made an impassioned plea for us to paddle in the same direction. Of course, that is the state of nirvana but of course it is difficult when many of us have completely different visions. I, for instance, stood on a platform of wanting to be bold and brave and I have not seen anything yet that suggests that is the direction of travel.

1230 I am not surprised by that. What I am critical of is the mistake made right at the start of this term of over-promising, when there was an almost inevitability about an under delivery. That is what I am critical of. Because I think Deputy Ferbrache and his team want to be bold and brave but of

course it is far too early and those sorts of comments are almost certain to fail because there is a set of processes that need to be gone through. That is democracy.

1235 There was a salient moment yesterday when someone, I forget who, criticised me for referring to election pledges. But of course there are a number of election pledges that have been made, we do live in a democracy, that are going to be extremely detrimental to the progress of this Assembly.. They will hold us back. There is absolutely no doubt about it. But just because they are going to hold us back, does not make it improper for people like me to remind Members of some of the foolish things they say in their quest to getting elected.

1240 Now when it comes to talking Guernsey up, I am going to make a pretty bold statement now and I encourage anyone to jump to their feet and challenge me. I do not think anyone has done more to talk Guernsey up over the last 20 years than me. I have been accused on numerous occasions of being too optimistic ... I give way with pleasure, sir. (*Laughter*).

1245 **Deputy Taylor:** Thank you, Deputy Trott, for giving way. Now, clearly, I think we need to allow for an age difference because, *pro rata*, I am considerably younger than Deputy Trott so I cannot have done as much but if we allow for the difference in years, I have taken several thousand people around the Island, I have sung at the top of my voice to them, I have told them about the love that our people have for our Island.

1250 I have not waffled to them about numbers, I have not spouted about Guernsey Finance and treaties and all this rubbish that we talk about. I have told them about the real life Guernsey, I have pleaded with them to buy a local ice cream, to buy scones and I challenge you that I have done far more good in the small amount of my life than you have. (*Applause*)

1255 **Deputy Trott:** I will remain seated to give way, sir.

1260 **Deputy Inder:** The challenge was from Deputy Trott to dispel some of the myths that we have heard over the years. While he was in politics making his name, his wealth, some of us were actually out in the community building industries, like myself. I do not need to go through it now because I have got no reason to sit there and puff my chest but I know what I did and I know what he has not done. Thank you.

1265 **Deputy Trott:** Well, Deputy Taylor, it is nice to see such passion. But a word of advice from an older man. Do not refer to Guernsey Finance and treaties as being 'all that rubbish', because that is the basis of our prosperity, young man, and the reason why you are having the opportunities that you have today is because of the outstanding success of financial services in this Island. Without those treaties of course ... As for Deputy Inder, he means well and I think relatively speaking he has been reasonably successful. So we will leave it there. Because there are far more important things to say.

1270 It was Deputy Inder yesterday who referred to me as potentially being bitter. So, let us clear one thing up and let us clear it up straight away. I should have done this earlier. Deputy Ferbrache very charitably came to me, not long after he was elected to the post of President of P&R and asked me if I would like to be part of his team. I thanked him, I appreciated the offer and I explained to him that I could not join his team for two reasons, primarily. There were others but we have no need to go into those.

1275 The first was that I had not voted for him. I voted for Deputy St Pier and I believed then and I believe now that Deputy St Pier was better suited to the role. I may be proved wrong. Time will tell. But I also said that he and I were in many regards more similar, too similar to work together on a permanent basis. If I had realised at the time, that Deputy Ferbrache had qualified as a lawyer at the age of 21, that may have changed my view. I did not realise that. That was news to me.

1280 But what I did also say to him was that if opportunities existed for me to help I would be very happy to do so. He is aware that he and I had a discreet conversation following my very good friend

Deputy Le Tocq's illness, saying that if he wished to utilise me on an *ad hoc* basis, in some way or other, he was welcome to do so.

1285 That offer has not been taken up yet. It may be in the future. And one of the reasons I offered my assistance in that way is because I have not exclusively been involved in financial services during my life. I had three very enjoyable years in the 1990's when I was a commercial fisherman. Bearing in mind that fishing is a key part of the issue over Brexit I thought that 21 years of political experience and the experience of the real world and going out to sea to earn a living, not just on an occasional basis, like Deputy Helyar did as an enforcer, but having to go to sea to make my living. Real hard
1290 graft and the reason that I am a politician today because it was following a period on the Sea Fisheries Committee that I chose to seek election.

So I am not bitter in the slightest and in fact I did stand for a job, which the States chose to give to someone else. Yesterday, when Deputy Meerveld stood to interrupt a maiden speech, I realised then that the States had made the choice and I wish him every success in that role.

1295 So let us move on now to borrowing. Borrowing was a very big issue during the election. There was a lot of nonsense spoken. But what I think is often misunderstood or not appreciated is I played no part in sponsoring the borrowing. I was not part of Deputy St Pier's team when that borrowing was brought forward. But I supported it and I supported it for one fundamental reason, which I shall come to in a moment.

1300 The situation that the UK economy, in particular, finds itself in, and we are in the sterling zone, as we all know, is that the likelihood now of there being quite a significant inflationary consequence on the UK economy is material and in fact there are some very experienced investment fund managers and I look to Deputy Mahoney and I make the point that as executive chairman of the Island's largest, or the Channel Islands' largest investment reporting advisory business, I do not
1305 purport to have a particularly strong knowledge of the investment world. I am delighted that others have greater experience, including yourself.

But the reason I supported borrowing is when you have a significant inflationary push, you need to have a balance sheet that has assets and liabilities that can erode at the same pace and I can see those that understand these things are nodding. We do not have any uncovered borrowings. We
1310 do not have any borrowings in the real sense of the word. Our borrowings are as a consequence of acting like a bank. We have taken in deposits, i.e. through the bond, and we have lent out, the assets have matched.

That means that our exposure is minimal. So having more borrowing, particularly at this time with interest rates as low as they are, almost certainly the lowest we are going to see them is a very
1315 good idea indeed and that then takes me to the retail bond, because there is no mention of the retail bond in this Budget.

However, a previous administration, a previous Assembly, agreed that the investigation into a £50 million retail bond. There were a number of reasons for that. Many Islanders wished to participate in our Island's recovery. They were very eager to lend into a vehicle of that type. Now
1320 there is no mention of why that is not going ahead. I would have thought it would have deserved at least a paragraph.

Now, why is the retail bond so important? Well, it is important because if you want to be bold and brave, there is no better time to be investing into this economy. (**A Member:** Hear, hear.) Notwithstanding the fact that the construction industry is busy. And I will tell you why. Back in 2007,
1325 the States of Deliberation made a decision that I think was certainly the most important of my time in the States and that was to adopt corporate tax reform, which enabled us to maintain tax neutrality.

What is often overlooked about that is that that was introduced on 1st January 2008, and effectively coincided with the global financial crisis. It was without doubt the biggest single item of economic support and insulation that we could have provided this economy and there were two
1330 reasons why. The first was, Jersey delayed the implementation by one year. So in 2008, our economy grew by nearly 8%, at a time when the rest of the world's economy was collapsing.

1335 It took Jersey 10 years, Mr Bailiff, to recover from the position they were pre-financial crisis. Our economy, because of the boost it had in 2008, as a consequence of getting the timing right, as a consequence of being bold and brave, that our economy, our financial services industry, sustained a much stronger period for a decade.

1340 Now, Deputy Helyar knows that because we were on a hustings together when I explained that to him. So, I think the main purpose of this speech is to say never waste a crisis. Successful investors, successful entrepreneurs will tell you: never waste a crisis. I sense that, because we have done such a brilliant job – in fact, Deputy Ferbrache often accuses me of using superlatives – relatively speaking, Guernsey’s performance during the Covid crisis has been spectacular by any measure, not only has our handling of the health crisis been absolutely outstanding but, relatively speaking, our economic performance has also been.

1345 Never waste a crisis. Be true to what you believe, Deputy Ferbrache and other Members of the Policy & Resources Committee. Be bold and be brave and we will be just fine.

Thank you, sir.

The Bailiff: Deputy Falla.

1350 **Deputy Falla:** Thank you, sir.

1355 In many ways, this has been a sobering debate. But I too have been heartened by the positivity in the speeches from my colleagues on the Economic Development Committee, among others, which I would like to endorse. It is true, of course, that in an ideal world, as an Assembly, we are a team, we would all like to achieve more than we can actually afford. But I would like to see our glasses half full.

1360 To fill it we may need to speculate to accumulate and demonstrate some of the boldness that a few have alluded to this morning. We need to back and maximise the efforts of Guernsey Finance and Locate Guernsey, for example. Also, on Deputy Ferbrache’s talent stream, to draw on the expertise that exists in the private sector and, indeed, which will be represented on some of our committees in the shape of excellent, non-voting members.

1365 We need to invest in local enterprise. But not necessarily with cash. Also by demonstrating cross-departmental, can-do flexibility in engaging with and supporting private business schemes. I am not against some borrowing in order to boost the economy but also, and importantly, to entertain conversations with private investors and to consider getting involved in public/private partnerships. Sir, in short, we may need to kiss a few frogs.

The Bailiff: I will turn to Deputy Helyar, on behalf of the Committee, to reply to debate if he is ready to do so at this point. Deputy Helyar.

1370 **Deputy Helyar:** Sir, thank you, and thank you Members for a lively debate. Some criticism. We have got a long way to go and I am perfectly happy to be criticised. A number of people have said there are difficult decisions to be made and I am not going to shy away from them. I will share with you the reality of the financial situation at all times and there are going to be some difficult conversations about cash limits next year. There is no doubt about it.

1375 Were I running the States as a business and being put into the position of CFO, eight weeks ago, I would have asked everybody for a 20% cut on everything and I would have asked you all to deliver it. That is not the way, obviously, that we can run a Government, because many of our outputs are social, as well as financial, but there are difficult times ahead.

1380 That said, one of the things I take away and I am talking generally now about the debate, is opportunity. Vision was a question raised by Deputy Parkinson. He said he has not seen much of it yet. It is quite difficult to get into the drains in just eight weeks but where do I see us ending up? Well, I see us ending up with a combination of different factors in order to solve our financial situation.

1385 It is almost certainly going to involve some form of borrowing and I am glad that a number of Members have said that that is something that they consider to be an opportunity for progress. I do think that is an important factor in it. We are going to have to raise taxes in some form or another and we are going to have to properly review the spread of where they are.

1390 Deputy Trott, yes, I know the manifesto says that but if you had attended any of our hustings you would have heard me say to the public it is a wish list. I have to say it is not possible to deliver it, given what I see from the financial circumstances we are in. We have to consider additional taxes and we have to consider a wider tax base. There is no alternative answer to that.

1395 Now, Deputy Trott can shake his head, but it is important that we are honest with the public about this from the outset. It is important that we are honest with the public from the outset. That has been the whole purpose of my speech at the beginning of the Budget.

1400 I will pick up various comments, starting with Deputy Roffey. He made various allusions and added to it in terms of it being the worst States ever. All we can do is strive not to be. One of the things I think which went wrong in the last States, and a number of Members that have spoken have alluded to it, was the way it ended up being a Government with exchange of letters rather than communicating well. I see a group of people that is communicating well and will continue to do so.

1405 We must maintain that level of friendliness and cooperation because that will help us to achieve results for some of these very difficult problems, one of them duty free, which was mentioned. It is almost an insoluble problem because of the moving parts. I give way.

Deputy Roffey: I thank Deputy Helyar for giving way. I just wanted to make absolutely clear that I make no implication whatsoever that I believe that we were going to be the worst States ever, just that we were going to be called the worst States ever because of the task facing us.

1410 **Deputy Helyar:** Absolutely. I completely agree and apologise for any indication to the alternative. Deputy Roffey asked for a commitment in terms of social housing. I am very happy to give that. We have held a number of meetings with ESS and E&I about that. I give way to Deputy Ferbrache.

1415 **Deputy Ferbrache:** The only reason to give way is that Deputy Roffey quite properly asked both Deputy Helyar and I give that commitment. I forgot, when I spoke, I give that commitment.

Deputy Helyar: Thank you.

1420 We also see some benefit in extending the definition of affordable housing, not merely in the social sector but also in terms of people that cannot afford to move from one type of housing to another within the general population. I have to say I am probably not the same side of the political tracks as Deputy Roffey but I am encouraged that, through a number of conversations we have had, those in charge of the biggest liabilities and financial aspects of the States, I do think we are travelling to the same destination. Just, perhaps, along different paths.

1425 I would like to see one of the opportunities as a focus on reductions of liability of the States, as much as an opportunity for taxation. When I say that, there are large numbers of pensioners, and Deputy Queripel spoke to pensioners in difficulty, there are a large number of pensioners who do not require the state pension and there are large numbers of people who are working in professional services, for example, like advocates, who also do not require and will not require, in the future, a States' pension.

1430 So we should look at opportunities to reduce the amount of cash we are having to stockpile now to spend in the future on those members of the population who do not really need it and will not really need it. Because I am sure many of them would be perfectly happy to continue to pay their social security contributions, for example, but not be punished now for taxation, otherwise they have money they continue to spend now but will not receive the benefit in the future.

1435 So I see there are opportunities there so that is another balancing factor. Deputy Parkinson, I agree with much of what he said. He was absolutely right, the capital challenges are enormous.

There is no getting around that. The manner of prioritisation of those things, hospitals versus schools, are incredibly difficult things to deal with and to tackle. We have no option but to face up to them.

1440 Deputy Kasantseva-Miller, I was really pleased to hear somebody talking positively for the economy. That is one of the levers for reducing the potential tax burden going forward, for us to raise more of it. It perhaps needs to be broader, I accept, but if we do reinvent ourselves and we look at things like our broadband connectivity as a potential investment opportunity, then we have great opportunity for the future.

1445 I thank Deputy Meerveld for his comments and support. He said that tax rises were inevitable. I wish that were not the case but again, looking at Deputy Trott, that might not be the case. Macroeconomics were raised, as well, as was Aurigny and I have to say we have got a new team at Aurigny. There have been discussions with the new CEO and Deputy Ferbrache and I have spoken with the new Chairman and there is a different outlook. I completely accept what Deputy Queripel said. The losses there are unsustainable. They cannot continue into the future.

1450 Deputy Queripel said he wanted an answer to the question as to how do we change that? (*Device ringtone plays Jingle Bells.*) We are getting *Jingle Bells*, it is great! How do we change that? Where is the pressure point for the States as a shareholder and, more importantly, as a creditor for Aurigny? Well, the pressure point is whether Aurigny continues to be a going concern or not. The States must commit itself to continuing to support it in order for Aurigny not to be insolvent.

1455 That is where is the pressure point and the discussions will continue about that but I am really heartened by the discussions that we have had via STSB that they are now focused as a team on reducing costs, focusing on routes which are productive, reducing the complexity of their operations and that those will result in decreased losses. Now, I do not know whether they will get to break even or not but we have to start from somewhere and it is not a good place at the moment but we can only hope it improves as transport links start to extend in the future.

1460 Deputy Prow, thank you, and your comments were well-received. There will be, almost certainly, additional costs that are unexpected arising from Brexit and/or Covid and we will continue to support and discuss those matters with you. The notes I have written here for Deputy Inder say, 'dreams, divorce, positive, economy'. Perhaps not written down in the right order, but this was another positive speech about Economic Development he was saying it was never going to be easy. He is absolutely right it is not going to be easy but there is an opportunity. We do have an opportunity. Deputy Trott was absolutely right when he said we are in a better position than many other jurisdictions. That should be a springboard to the future.

1465 Deputy Mahoney gave a great speech, I really enjoyed that one. Deputy St Pier, he made some very good points, as you might expect, having been in the Treasury position for so many years. They were more technical in nature. I do accept his comments about short-term measures on the ports. I think the wording perhaps should say 'interim' because they are innovatively – and Deputy Roffey will understand this – this is going to have to result at some point in a capitalisation. So, it will turn from a loan position, receivable effectively, into a position where we have to provide it with capital for it to continue. That is not an exclusive position for just the ports. I think the same is true of other STSB entities.

1470 We talked about the blame game, things happening on people's watches, we are the newbies, do not blame us and so on. I do not intend to go down that route. I am just accepting what I have inherited. I am going to get on with the job of trying to sort it out, which is I think what everybody else has been trying to do anyway.

1475 I do not think anyone deliberately got us into this position and I do not doubt any of the Members' motivation for wanting to do the best thing for the Island. I think it is really important that we move away from treating these problems in that kind of way. We need to work together collaboratively in order to solve them. I am never going to treat the public as idiots, I am about creating solutions rather than finding problems.

1485 Deputy Gollop said there had been a masterclass and he was right there was a masterclass. I think one of the things which arises out of his observation is that we have a very strong back bench

and that actually is a very good thing for Government because people with experience who can independently question what we are up to are going to keep us honest and I welcome it,

1490 Deputy Burford, you asked me to give you certain information. Very happy to provide a breakdown on costs and in fact would welcome a review of the circumstances of our current IT arrangements. I think they are very important. They represent a major cost in the accounts and it is important that we maintain control of that spend going forwards. You asked for some additional information on P&R's additional spending. There are notes in the accounts between section 5.5-
1495 5.11, but I am happy to provide further information if it is required.

In terms of dealing with the issue of capital funding, it is one of the key issues. Deputy Parkinson raised it to start with, Deputy Trott alluded to it in terms of borrowing. He was surprised to hear me say that borrowing was one option but I do not think we really have any option. That is an issue, which I would certainly like the assistance of Scrutiny in dealing with going forwards, in terms of
1500 prioritisation in particular, how that is done, democratically and to make sure that we are prioritising the right things at the right time.

Deputy Fairclough was supportive of a standstill Budget and mentioned the cost of Aurigny and I agree with him in terms of his motivation for his voting. The costs of Covid are probably yet to be fully realised and this echoes what has been said by Deputy de Sausmarez in terms of the macro-
1505 environment, which is driving a lot of decision-making, which we cannot really help.

Deputy Fairclough, again, referred to restraint and savings which have been promised. We do need to deliver those and there has been a lot of talk about taxation in terms of the Budget and what we might see going forwards. I think, in order to be able to carry the public with us, we need to show some determination in cost restraint at the same time.

1510 Deputy Dudley-Owen, full of Christmas cheer, which was nice to hear. Confident and upbeat about the new atmosphere in the Assembly. Clearly, I was not a Member of the Assembly so I cannot really comment on what it was like to be looking from the inside, as Deputy St Pier would call it, but it does feel more co-operative, I have to say, and hopefully that will put us in good stead for making some of the difficult decisions we have to make.

1515 Sir, Deputy Brouard, a brief speech, but one of the biggest mandates and a lot of weight on his shoulders at the moment and we will give him full support throughout the term. Deputy Ferbrache said some very kind words. He was right, we are better than elsewhere and we should capitalise on that going forwards. Deputy de Sausmarez then went on to say yes, that was correct.

I disagree with the fact that we are social engineers. I see my role as making decisions in respect
1520 of the allocation of scarce resources. (*Interjection*) It is that as well, I agree, it is that as well. But its outcomes are sometimes social and sometimes financial.

Deputy Trott, I thought it was a great speech, I very much enjoyed it and I am going to enjoy him challenging my position going forwards. I think that is exactly what democracy is all about and I am really looking forward to being bold and brave. I have got some interesting ideas about how
1525 we are going to finance some of these things. I have not had a huge amount of time other than in preparing the Budget and doing some other things that are urgent in the meantime but I can promise that we will be trying our absolute best to do this with the minimum impact on the public.

He is right, it is a mistake in over-promising and under-delivering and there are a lot of election pledges that are going to be broken. There is no doubt about that. But we can only deliver these
1530 things collectively. He must admit that. We cannot deliver them individually, we must deliver them by working together and that is what we are going to attempt to do.

I am happy to talk Guernsey up and I am happy to stand shoulder to shoulder with him doing that as much as he has done. I am the only person in the Assembly that has had the dubious pleasure of measuring – he probably does not remember this – the size of Deputy Trott's crabs! (*Laughter*) I
1535 mean that in the nicest way. Actually at the back of Herm. Handling a crisis!

I will give way to Deputy St Pier.

Deputy St Pier: Was that a euphemism? (*Laughter*)

1540 **Deputy Helyar:** No, those were real crabs. Chancres. Definitely chancres at the back of Herm. In a crisis brings an opportunity and those were very wise words and they should all be ringing in our ears, I think. We really do have an opportunity as a new Assembly. Massive challenges but huge opportunity.

1545 Deputy Falla, speculate to accumulate. I could not say more. And kissing a few frogs, very happy to do that too. I am very grateful for all of your comments and for the manner in which the debate has been put and I commend the Budget and Propositions to the Assembly. Thank you.

The Bailiff: Members of the States, there are 25 Propositions. I was somewhat confused by Deputy Gollop referring to Propositions into the 30s earlier, but there are only 25, I have checked! I have noted the request by Deputy Queripel, in particular, to take Propositions 15 and 19 discretely. What I am unsure of is whether any requests for recorded votes are being made.

1550 What I was minded to do was to batch the Propositions into smaller chunks but to take some of them together. Therefore I was going to start with Propositions 1 to 3, which broadly talk about reserves and take those three *aux voix*. Those in favour of Propositions 1 to 3; those against?

Members voted Pour.

1555 **The Bailiff:** I declare Propositions 1 to 3 carried.

Then I was going to take Propositions 4 to 8 together unless there is any request for any of them to be taken separately? No, so Propositions 4 to 8, Members. Those in favour; those against?

Members voted Pour.

The Bailiff: I declare Propositions 4 to 8 all carried.

1560 Now, I was going to take Proposition 9 discretely, on the basis that there is a slight difference between 9 and 10, although they both deal with allowances, so Proposition 9 is some of the other allowance rather than Personal Allowances. Proposition 9, those in favour; those against?

Members voted Pour.

The Bailiff: I declare Proposition 9 carried. Proposition 10 is largely about other allowances, Personal Allowances and other allowances. Those in favour; those against?

Members voted Pour.

1565 **The Bailiff:** I declare Proposition 10 carried. Now Proposition 10a, as you will see from the composite Propositions, is a small one to rescind States' Resolution 4c before, as a result of Amendment 5. I was going to take that discretely just because it is on its own. Those in favour; those against?

Members voted Pour.

The Bailiff: I declare Proposition 10a carried.

1570 Now Propositions 11 and 12 both deal with draft Ordinances. The draft Ordinance in respect of Proposition 11 you can find beginning at page 45 in the policy letter. The only change to it is as a result of Amendment 8, which is on page 46 in the second line of paragraph 3, 63.4 pence has been substituted for 73.4 pence, so if you were looking at that, you would see that. Those in favour of Proposition 11; those against?

Members voted Pour.

1575 **The Bailiff:** I declare Proposition 11 duly carried.
Proposition 12 is the draft Ordinance that begins at page 51. Those in favour; those against?

Members voted Pour.

The Bailiff: I will declare Proposition 12 carried. I was minded to take Propositions 13 and 14 together, although they are slightly different, unless anyone objects? No. In that case, Propositions 13 and 14 together, those in favour; those against?

Members voted Pour.

1580 **The Bailiff:** I will declare both Propositions duly carried.
We now get to Proposition 15. Can I take that *aux voix*?

Deputy Queripel: I did ask for a recorded vote, sir.

1585 **The Bailiff:** You did ask for a recorded vote. In that case, we will have a recorded vote, please, Greffier, in respect of Proposition 15, which is the delegation of authority to the Policy & Resources Committee.

There was a recorded vote.

Carried – Pour 37, Contre 2, Ne vote pas 0, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Fairclough	Deputy Oliver	None	Deputy Le Tocq
Deputy Falla	Deputy Queripel		
Deputy Ferbrache			
Deputy Gabriel			
Deputy Gollop			
Deputy Haskins			
Deputy Helyar			
Deputy Inder			
Deputy Kasantseva-Miller			
Deputy Le Tissier			
Deputy Leadbeater			
Deputy Mahoney			
Deputy Matthews			
Deputy McKenna			
Deputy Meerveld			
Deputy Moakes			
Deputy Murray			
Deputy Parkinson			
Deputy Prow			
Alderney Rep. Roberts			
Deputy Roffey			
Alderney Rep. Snowdon			
Deputy Soulsby			
Deputy St Pier			
Deputy Taylor			
Deputy Trott			
Deputy Vermeulen			
Deputy Aldwell			
Deputy Blin			
Deputy Brouard			
Deputy Burford			
Deputy Bury			
Deputy Cameron			
Deputy de Lisle			

Deputy de Sausmarez
Deputy Dudley-Owen
Deputy Dyke

The Bailiff: Members of the States, it is clear to me that Proposition 15 has been carried. There voted on Proposition 15, 37 Members Pour, 2 Contre, 1 absentee and therefore that is why Proposition 15 is carried.

1590 Can I take Propositions 16 to 18 together? Those Members in favour; those against?

Members voted Pour.

The Bailiff: I declare all three Propositions carried and Proposition 19 was to be taken separately and also recorded, Deputy Queripel?

Deputy Queripel: Yes sir, I did ask for a recorded vote in my speech.

1595

The Bailiff: Thank you very much. I just wondered if you had changed your mind! (*Laughter.*)
(Deputy Queripel: No, sir.) Greffier, please.

There was a recorded vote.

Carried – Pour 29, Contre 4, Ne vote pas 6, Absent 1

POUR

Deputy Fairclough
Deputy Falla
Deputy Ferbrache
Deputy Haskins
Deputy Helyar
Deputy Le Tissier
Deputy Leadbeater
Deputy Mahoney
Deputy Matthews
Deputy McKenna
Deputy Meerveld
Deputy Moakes
Deputy Murray
Deputy Oliver
Deputy Parkinson
Deputy Prow
Alderney Rep. Roberts
Deputy Roffey
Alderney Rep. Snowdon
Deputy Soulsby
Deputy St Pier
Deputy Trott
Deputy Vermeulen
Deputy Aldwell
Deputy Brouard
Deputy Burford
Deputy Bury
Deputy Cameron
Deputy de Sausmarez

CONTRE

Deputy Gabriel
Deputy Queripel
Deputy Taylor
Deputy Dudley-Owen

NE VOTE PAS

Deputy Gollop
Deputy Inder
Deputy Kazantseva-
Miller
Deputy Blin
Deputy de Lisle
Deputy Dyke

ABSENT

Deputy Le Tocq

1600 **The Bailiff:** Once again, Members of the States, I think I can declare that Proposition 19 has been carried. We will just wait briefly for the voting record. And the voting on Proposition 19, Members of the States was as follows: there voted Pour 29, Contre 4, six abstentions and one absentee and that is why it is declared carried.

1605 In respect of the remaining Propositions, that is 20, 20a, 21 and 22, although some of them are a little bit different, shall we take them together? Any request for a separate vote? In that case, I will put all four –

Deputy Queripel: Could we have a separate vote on 20b, please sir?

1610 **The Bailiff:** On 20b? Very well. I will put 20 and 20a to you together, Members of the States, 20a as a result of the Committee's Amendment 12. Those in favour; those against?

Members voted Pour.

The Bailiff: I declare both Propositions carried. Proposition 20b, as we have now numbered it, comes from Amendment 11. Those in favour –

1615 **Deputy Queripel:** Sir could we have a recorded vote on that one please?

The Bailiff: And a request for a recorded vote. Greffier please.

There was a recorded vote.

Carried – Pour 39, Contre 0, Ne vote pas 0, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Fairclough	None	None	Deputy Le Tocq
Deputy Falla			
Deputy Ferbrache			
Deputy Gabriel			
Deputy Gollop			
Deputy Haskins			
Deputy Helyar			
Deputy Inder			
Deputy Kasantseva-Miller			
Deputy Le Tissier			
Deputy Leadbeater			
Deputy Mahoney			
Deputy Matthews			
Deputy McKenna			
Deputy Meerveld			
Deputy Moakes			
Deputy Murray			
Deputy Oliver			
Deputy Parkinson			
Deputy Prow			
Deputy Queripel			
Alderney Rep. Roberts			
Deputy Roffey			
Alderney Rep. Snowdon			
Deputy Soulsby			
Deputy St Pier			
Deputy Taylor			
Deputy Trott			
Deputy Vermeulen			
Deputy Aldwell			
Deputy Blin			
Deputy Brouard			
Deputy Burford			
Deputy Bury			
Deputy Cameron			
Deputy de Lisle			
Deputy de Sausmarez			

Deputy Dudley-Owen
Deputy Dyke

The Bailiff: Proposition 20b was quite clearly carried. It was unanimous. There were 39 votes in favour, the one absentee.

Proposition 21 are the budgets of the other entities. Those in favour; those against?

Members voted Pour.

1620 **The Bailiff:** I declare Proposition 21 carried and finally Proposition 22, which was inserted by Amendment 4. Those in favour; those against?

Members voted Pour.

The Bailiff: I declare Proposition 22 duly carried.

Procedural – Mobile Devices

1625 **The Bailiff:** Now, Members of the States, I imagine Deputy Roffey will be longer than about five minutes in opening? Yes. In those circumstances, what I am going to do is I am going to suggest that we get a fresh start at 2.30 p.m. for the next matter. It gives me a short opportunity before we adjourn until 2.30 p.m. just to remind all Members that when they come back from the festivities or whatever else they might be doing over the luncheon adjournment to switch off all devices so that they do not sound.

1630 At least *Jingle Bells* is better than it might have been! (*Laughter*) And Deputy Brouard has extended his apology. There is a custom within this Assembly that where devices sound, the Member who is responsible for the sounding of the device can make a contribution – it is entirely voluntary but those who do not might incur the wrath of the Presiding Officer for when it comes to being caught etc. – and there is a small contribution to the budget of the Bailiff's Charitable Fund.

1635 It does not go into my back pocket, I emphasise, and I will simply pass it over now to the Greffier to go to not his back pocket but the Bailiff's Charitable Fund and the Bailiff's Charitable Fund is from time to time disbursed. It may be that in this instance the contribution goes into the collection plate on Monday, because of course we do have the States' Carol Service to look forward to and I would encourage as many of you as wish to, to attend on Monday late afternoon.

1640 But we can have a five-minute early departure, which means that you can get yourself in place down at the lunch, if you are coming to the lunch, and we will now adjourn until 2.30 p.m. and resume at that point.

*The Assembly adjourned at 12.24 p.m.
and resumed at 2.30 p.m.*

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**II. Non-Contributory Benefit Rates for 2021 –
Propositions carried**

Article II.

The States are asked to decide:

Whether, after consideration of the policy letter entitled "Non-contributory benefit rates for 2021", dated 6th November 2020, they are of the opinion:

- 1. To set the income support requirement rates at the rates set out in Table 1 of that policy letter, from 5th February 2021.*
- 2. To set the benefit limitation for a person living in the community at £890 per week, from 5th February 2021.*
- 3. To set the benefit limitation rates in relation to people not living in the community at the rates set out in rows 3 and 4 of Table 6 of that policy letter, from 5th February 2021.*
- 4. To set the amount of the personal allowance payable to people in Guernsey and Alderney residential or nursing homes who are in receipt of income support at £40.00 per week, from 5th February 2021.*
- 5. To set the amount of the personal allowance payable to people in United Kingdom hospitals or care homes who are in receipt of income support at £56.54 per week, from 5th February 2021.*
- 6. To set the maximum rent allowances at the amounts set out in Table 8 of that policy letter, from 5th February 2021.*
- 7. To set the supplementary fuel allowance paid to income support householders at £28.89 per week, from 30th October 2020 to 30th April 2021.*
- 8. To set the rate of family allowance at £14.50 per week, from 1st February 2021.*
- 9. To set the rates and annual income limit for severe disability benefit and carer's allowance at the rates and limit set out in Table 9 of that policy letter, from 1st February 2021.*
- 10. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.*

The Bailiff: Greffier.

1645 **The States' Greffier:** Article II – Committee for Employment & Social Security – Non-Contributory Benefit Rates for 2021.

The Bailiff: And I invite the President of the Committee, Deputy Roffey, to open debate please.

Deputy Roffey: Thank you, Mr Bailiff.

1650 I have to say this is a fairly routine operating report for the Non-Contributory Benefits, with just about everything being adjusted by the appropriate RPIX figure. So, like the Budget, pretty much a holding pattern. There is, though, one modest exception. We are proposing a small, real terms increase in the benefit limitation. This is the total amount of income, a household who is receiving Income Support, can enjoy through a combination of their own earnings and that Income Support.

1655 The cost of this move will be somewhere between £40,000 and £50,000 a year. Minuscule in terms of the total spending on Income Support but nevertheless having a significant impact in tackling an identified pocket of child poverty in Guernsey.

1660 Putting this proposal in context, we estimate that the additional spending by Income Support in relation to Covid-19 this year, to the end of October, has been £3.4 million. Total spending on Income Support to the end of October this year was nearly £39 million. So £40,000 to £50,000 is a tiny variance on that sum.

Mr Bailiff, child poverty is a stain on any community, let alone a relatively wealthy one like Guernsey. Even more so when we know not only that it exists but exactly where it exists. So, of

1665 course, we would have much liked to have gone far further than we are today. We sincerely apologise that we have felt unable to do so but, given the current financial situation, we have felt the need to exercise extreme constraint. That is why we are only proposing a small move in the right direction, knowing that it will still leave a number of Guernsey children in what this Assembly has defined as intolerable poverty. Not my definition, but the official definition of the States of Guernsey.

1670 Now, as this proposal has surprisingly created some controversy in some quarters and because we have not yet had a chance to offer Members of the States the usual induction to the work of ESS, that will come early in the New Year, perhaps I ought to explain to Members exactly why we are putting forward this modest measure and how this poverty trap was created in the first place and I apologise that that will take some minutes.

1675 The issue of child poverty amongst families in receipt of Income Support is limited solely to larger families. The typical family in this poverty trap has four or five children, coupled with very high outgoings on things like rent. Now, of course, some of the families are larger than that and on the other side of the equation there are a few three-child families that are impacted as well, but typically we are talking about four or five-child households.

1680 Now, it may be, I hope not, that some in this Assembly, feel no one but the wealthy should even consider having four or five children. If so, I would respond in two ways. Firstly, that stance hardly marries with the view that I hear so often, that Guernsey's fertility rate is dangerously low and as a result we are storing up significant demographic challenges for the future. Secondly, even if somebody thinks that no one should have children unless they could afford that lifestyle choice, they would have to be a fairly callous and uncaring person to visit the judgement on the innocent children of their view of their parents' lifestyle choices.

1685 Indeed, very often, we are not talking about ill-advised life choices at all. Many of the larger families that we deal with and who are in this situation are as the result of two smaller, single-parent families merging, which often is a very positive development. Both for them and, actually, for Income Support.

1690 So, how on earth do these children find themselves, in 2020, in what this Government has deemed to be intolerable poverty? I am afraid it is a classic case of the law of unintended consequences. If they are living in social housing and the vast majority of these families are – not all of them, but the vast majority – then under the old welfare regime they would have received two separate benefits.

1695 They may well have qualified for supplementary benefit, which was indeed capped, always has been. The cap on that originally was based on a greenhouse worker's typical wage, but it changed a bit over the years. But that benefit was capped. But there was no defined cap on their other benefit, which was the Rent Rebate Scheme.

1700 Under that scheme, a family's rent would be discounted from the standard rent to a lower rent, which they would deem to be able to afford, given their family circumstances. The way that these two schemes interacted and worked together produced a sort of *de facto* combined limit on the total amount of benefit they had received of *circa* £900 a week, or reflated, over the last couple of years to today's value, about £950 a week, in today's values.

1705 So, a small number of larger families lost out when the changes to Guernsey's welfare system were introduced. ESS were aware of that. They recognised this unwelcome side effect of what was, overall, a very positive policy, and they have been trying to rectify it over the last couple of years and this modest proposal today is the latest step in rectifying that.

1710 You might ask why did we change at all from the old system, if it created this problem? Well, very simply because the old system was quite rightly identified as grossly disadvantaging those who lived outside of social housing, those that lived in the private rented sector and therefore could not benefit from the generous Rent Rebate Scheme, which existed for social housing.

1715 So, effectively, as the result of a very worthy and correct change to our welfare system, the States regrettably created a small but very real pocket of child poverty. The main reason being that many of those who had previously enjoyed those heavily rebated rents are now paying the full rents on

States' houses, which can be as high as £441 a week. So, getting on for 50% of our proposed benefit limitation may be going straight back to the States in rent, but as it stands at the moment can be just over 50%.

1720 Of course, if they live, as has been pointed out by some Members, if they live in private accommodation, as some of them do, it could be well over 50% of their income going back in rents. Now, it is not going to cost very much at all to put this right, but it will take political will and a willingness from Members to take off their blinkers and see the situation as it really is, rather than insisting on any false caricatures of families on benefits.

1725 To try and help, all Members were sent a series of very realistic examples, which I hope they found helpful. Suffice to say, we have a small but significant number of families living on incomes that are clearly below what they need for a comfortable lifestyle. Actually, we have others living in overcrowded accommodation, who feel unable to accept a transfer to a larger property to meet their housing needs because the higher rent would plunge them deeper into poverty. It is a nonsensical situation.

1730 Before closing, I want to make a few general remarks about requirement rates and the benefit cap, because there are some urban myths that badly need throttling. The first is that, if this policy letter is approved, claimants can expect to get £890 a week in benefits. Absolutely not true. In reality this is a tiny number of claimants – I will put a figure on it, it is three, out of a total of nearly 3,500 claimants. Obviously, I cannot explain the special circumstances, which leads to those three sets of
1735 payments because, if I did, I would identify the families concerned because the circumstances are so exceptional. But I assure you they are exceptional.

If you want a more typical picture, look at the requirement rate table in paragraph 3.3 of the policy letter, which gives you the normal benefit rates. Members, if a family of six, with two primary aged children and two pre-school children, makes a claim for Income Support, their requirement
1740 rate will be calculated at £393.71 a week, or the equivalent of £20,470 a year, for the first six months of their claim. For a family of six, that is not in any way over the top. In fact, I am not really sure how we expect them to manage on it.

1745 It is true, though, after six months, if they are still in need it increases to £602. And yes it can be increased further through a rent allowance. But on the other side of the coin, they will not get anything like that amount in Income Support if one or both of them is working and that is absolutely normal.

In fact, of the households impacted by the benefit limitation, in almost every case, one or two of the adults are working, usually full time, and the very few who are not working are precluded from doing so, either because of their own limitations or because they were in full-time caring roles for
1750 others. Again, remember the requirement rate is not the amount of benefit they qualify for, it is the total amount that the household can have in earnings and benefits.

Income support is not there just for those unable to work. It is very much an in-work benefit designed to prevent in-work poverty and I stress again our experience is that most of our customers very much want to work. Typically, they maximise their income through their own employment,
1755 despite losing benefit, pound for pound, as a result of those earnings.

Of course, I know any society has a few malingerers. There may even be a few in here, I do not know! Any society has a few malingerers but I do really urge people not to stereotype people in Income Support. It is not helpful and it is not valid.

1760 The penultimate thing I have to say is that the requirement rates are calculated by considering the amount of income a household needs to avoid poverty and that has absolutely no relationship whatsoever to average earnings. To draw any kind of linkage between the two is absurd. For example, I could live very well on Guernsey's average wage. Why? Because I am a single widower, living in a house I own with a mortgage paid off and with no dependents. So Guernsey's average wage is more than I need to be comfortable.

1765 But if I had a sick or disabled partner who could not work, four school-age children to support and I had to pay a rent of £1,500 a month or more, then living on an average wage, we are not talking about the average family income here, in Guernsey, we are talking about the average wage

of a single worker, then living on that would be quite impossible without my children going without. So, I hope we do not hear any ludicrous use of the average wage as a benchmark for what the benefit limitation should be.

1770

Finally, sir, I have said several times that these families and their children are known in what this Assembly has deemed to be intolerable poverty. A really old, almost Dickensian word, is it not, a term? So, I think maybe for newer Members I need to give you the history of how that definition came about.

1775

As a part of the background work of introducing Income Support, Loughborough University co-ordinated an extensive series of interviews with local people to determine what the people of Guernsey deemed to be the absolute minimum basket of goods and services that every citizen should be able to afford in order to enjoy a basic standard of life in our Islands. Below that, they would be deemed to be living in relative poverty.

1780

Then SWBIC, the committee overseeing the change to Income Support, went through that basket of goods and took out a number of items, which made the definition of relative poverty rather harsher.

Sadly though, when the numbers were run, it was found that even with this pared down basket of goods the cost of the scheme was going to exceed the cost envelope that was available, so yet more items had to be removed from that basket, taking it considerably below what the people of Guernsey deemed to be the absolute minimum that people should be expected to be able to enjoy in our Island. Considerably below that and they felt that they had to come up with a new definition.

1785

One of the Members of SWBIC, the late Deputy Roger Perrot, came up with that definition of 'intolerable poverty', the income of an individual below which Guernsey, as a society, represented by the State, considers it will be 'intolerable for that individual to be expected to live'.

1790

It was that definition that the States approved and agreed to when bringing in Income Support. So Members can see we are not laying on the emotion with a trowel for the sake of effect here, when we say that these small, not small, not talking about 80 – roughly – children are living in poverty they are indeed living in poverty.

1795

In closing, trying to be positive, because all of us were told this morning we have got to be positive over everything, I would like to assure Members that the recent changes to the welfare system have not all been one-way traffic with the Exchequer losing out at every turn. As a result of scrapping the Rent Rebate Scheme, the amount of gross rental income, from States' houses now being paid into General Revenue, is forecast to be £20.6 million this year. The old Rent Rebate Scheme, incidentally, previously cost in the region of £11 million.

1800

So ESS, in asking the States to approve £40,000 to £50,000 to help tackle the small pocket of child poverty that we know exists, and that this change in the welfare system helped to create, are asking you to spend less than a quarter of 1% of that rental income that we receive from States' housing, to reinvest mainly in our tenants, plus a few families in the private sector.

1805

Now, if any Deputy begrudges that very modest investment in lowering child poverty in Guernsey, I think it would be a very sad day indeed for this Assembly. Please Members, approve all of the measures in this policy letter.

Amendment

For Proposition 2, substitute:-

"2. To agree that the benefit limitation for a person living in the community shall continue to be £850 per week.

OR, only in the event that Proposition 2 is not approved:-

2A. To set the benefit limitation for a person living in the community at £870 per week, from 5th February 2021 (being the current cap x RPIX)."

1810

The Bailiff: Members of the States, a single amendment to the set of Propositions from the Committee has been submitted. Deputy Dyke is it your wish to move that amendment now or delay it?

Deputy Dyke: Yes, thank you.

1815 **The Bailiff:** Do you wish to have it read or do you want to –

Deputy Dyke: Yes, can I have it read, please?

1820 **The Bailiff:** Greffier, could you read the amendment proposed by Deputy Dyke and seconded by Deputy de Lisle please.

The States' Greffier read out the amendment.

The Bailiff: Thank you very much. Deputy Dyke to move that amendment, please.

Deputy Dyke: Thank you.

1825 As an inexperienced new Deputy, I have been fretting about this Proposition, as it seems to have become terribly controversial. I actually do not think it should be that controversial. There are two points that one needs to address, which I will address both, briefly. First, we have had a very speedy, upwards movement, of the benefits cap and then I have some issues of principle that I would like to bring into the discussion.

1830 Firstly the figures, in terms of the upwards movement. We must put the proposals from ESS in context. In monetary terms, gross median household incomes increased by approximately 6% between 2014 and 2018. From the data analysis people, I do not have a later date but is reasonable to assume that in the past two years, that 1.5% rate of increase will not have accelerated.

1835 One should compare that with benefits cap, which increased by 13.3% at the beginning of this year, with a further 5% proposed for next year. So that is a total of something over 18%. I am not proposing that we stop increasing the benefit, I am not proposing that we cut them, but I am proposing that we should bear in mind that we live in a real world, there are people out there working normally who expect some sort of control on these figures. My point is that we should take a pause. My point is to give the economy a chance to catch up with the way that the expenditure has increased.

1840 So much for the maths. In bringing the Proposition, I have been subjected to assorted insults as being harsh and uncaring etc. One ex Deputy has even thrown in, 'let them eat cake'. I think he was being ironic. That is an unfair characterisation of the point I am trying to make. I am fully in accord with the idea that the States is, in a way, in *loco parentis* to those children who, for whatever reason, are not well cared for by their parents. Not because of some woolly UN convention that we have signed up to but because it is the right thing to do and we all know and feel that.

1845 The point is that in terms of principle and effectiveness, an increase in benefits levels for the most disadvantaged families is really not the best way of helping the most vulnerable children. Once we get to dealing with the most dysfunctional families, we have children turning up at school unwashed, poorly dressed and not well-fed, with parents who cannot or will not for whatever reasons look after them properly. Is it sensible to throw more money at them? Will the money really reach the children concerned? That is the point.

1850 We have talked a lot about targeted benefits in the Assembly over the last few days. That is not a well-targeted benefit. I have spoken to Members of the Education Department. The £100,000, and it is £100,000 rather than £50,000, saved, could mostly finance two outreach workers to focus directly on the children really in need. That would be a targeted effect and a much more efficient use of funds. There are other means of direct assistance to children in need: free dental checks, primary care, that sort of thing, paid for by the States.

1860 There is another very big issue with the current benefits system and that is incentivisation for in-work families. The way that benefits are clawed back relentlessly under the current system, as one tries to work one's way to independence, is very discouraging for those caught in the poverty trap

and there is indeed a poverty trap. Guernsey scores badly on that point. We have high benefits but a precipitous clawback, which is not a good working model. That really needs looking at.

1865 I have spoken to many concerned that working harder or getting a pay rise does nothing for them and can even lose them their social housing. So that is not a matter of the levels of benefit, it is more the way that they are tapered off. We could also help with looking at another tax band for lower earners, perhaps a 10% rate before heading up to the 20% rate, higher up.

1870 We in this new States must be ambitious and radical going forward, not timid and stymied by old, conventional wisdom. We can be both caring and efficient at the same time. My suggestion would be that this debate should act as a catalyst for Policy & Resources to appoint an *ad hoc* committee as soon as possible, to address these points in Guernsey, and please, no more external reports.

1875 I am not, by the way, suggesting, that ESS is a disaster area. Unemployment rates in Guernsey are quite low. Simply that, with a new States, we must strive to do better, spend money more effectively and structure the system in a way that pays for those who try to work harder. This issue is being addressed with much controversy in the UK and elsewhere. We should address the issue here. Thank you.

The Bailiff: And Deputy de Lisle, do you formally second this amendment?

1880 **Deputy de Lisle:** I do sir and I wish to reserve my right to speak and I would speak now if I am given that privilege.

The Bailiff: I know that Deputy Inder is planning something, so Deputy Inder.

1885 **Deputy Inder:** I have tried a few times now this session and failed miserably but I am going to try for 24(4).

1890 **The Bailiff:** On that basis, Deputy Inder is inviting me to request those Members who support debate on this amendment, proposed by Deputy Dyke and Deputy de Lisle to stand in their places please. There is clearly a greater number than seven and therefore there will be debate on the amendment. In those circumstances, Deputy de Lisle, if you wish to speak next, I will call you.

1895 **Deputy de Lisle:** Thank you, sir. We have to take a pause rather than pushing up the benefit cap further. The States approved a £4 million a year spend in the last States, by increasing the benefit cap to £850 a week and amalgamating the Supplementary Benefit and the Rent Rebate Scheme into one and they called it, then, Income Support.

1900 It left families, sir, charged social housing rents at the full rate. It forced families on benefit, who before were only on the Rent Rebate Scheme, and left many missing rent payments and others not able to put food on the table. It took away the opportunity of many under the Rent Rebate Scheme weaning themselves off benefits as they were forced into Supplementary Benefit to pay the market rates for housing.

1905 Sir, I am no proponent of the Income Support policy as currently structured. The amalgamation of Supplementary Benefit and the Rent Rebate Scheme cost taxpayers £4 million a year, from now on, was twice rejected by previous Assemblies and put another 900 families on benefit that were not there before and led to the hiring of 2.5 more new civil servants.

1910 In the UK, sir, they have struggled with the tight work situation and the benefits trap. They introduced the benefit cap in 2010, fully implemented it in 2013, to get people off benefits and into work. The cap was set at £500 a week, £26,000 a year for a couple and £350 for a single person a week, without children. But it was abused, sir, at this level and the benefit cap rules were changed in 2016. It got reduced and set at different levels, depending on whether people lived inside Greater London or outside the capital. The update affected the amount a household could get from a list of benefits.

1915 Now, the household income for benefit claimants living outside Greater London was capped, not at £500, but now at £384.62 a week; £20,000 a year for a couple with children. In Greater London, benefit claimants were capped at £442 per week, £23,000 a year. All in the name, sir, of getting people back into work and off benefits.

1920 In Guernsey, the whole benefit system appears to be going in the other direction. Instead of working to wean people off benefits, Social Security is working to put more people on Income Support and raise the benefit cap, near double that of London, where the cost of living cannot be that different to ours and well above the median earnings of £34,000 here. Income Support is now costing over £40 million a year in Guernsey.

1925 Judging by the success of the UK of cutting the benefit trap, we need to look again at Income Support policy in Guernsey, as the current system is doing no favours to the Island's employment situation or the work ethic. So there is need for change. We have to take a critical look, again, at the Income Support policy and, probably, this is giving the opportunity, through the new tax and benefits review that is coming through the States in the next little while. So, I look forward to some review of the Income Support policy in the future. Thank you, sir.

The Bailiff: Deputy Taylor.

1930

Deputy Taylor: Thank you, sir. Sorry to Deputy Queripel for butting in there. Sir, I had a bit of an exchange of emails with Deputy Roffey on this topic and I have to say, at first, when I read it, I was absolutely in support of Deputy Dyke's amendment here and I thought it kind of made sense. Actually, when I read Deputy Roffey's explanations, I think I got too hung up on the examples given. I have got to pick faults in those and I think I missed the point. I am really struggling to read the way this Assembly is going to vote on this amendment and that is why I kind of want to speak quite early and get a little point across.

1940 Deputy Dyke is not going to like me because I am kind of talking against him, but if he is concerned about the flak he might receive for this one I will try to take the heat off him slightly. If we look at the Budget that we just agreed, in particular appendix four, page 83, I fear I may get in trouble for raising this, especially with His Excellency in the Assembly but no one even batted an eyelid at a £34,000 increase under the heading HE Lieutenant Governor. I think if we are not going to bat an eyelid at that, it seems silly that we bat an eyelid at something that gives to so many households in the Islands and I would ask you to chuck out this amendment from Deputy Dyke and support Deputy Roffey. Thank you.

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The Bailiff: Deputy Queripel.

1950 **Deputy Queripel:** Sir, thank you. You asked us to take the Christmas spirit, with your experience, and enjoy during our States' Christmas lunch today and to debate this afternoon. I have been trying to work out how I can actually do that in the speech I am about to make on this amendment because the amendment does not have an iota of Christmas spirit attached to it. Far from it.

1955 It disappoints me greatly to see this amendment laid before us today. The only bit of Christmas spirit I can attach to the speech I am making can be relayed by my reading one of the jokes from the Christmas crackers we pulled at lunchtime. The question was: What does an astronaut do when he gets angry? The answer is: He blasts off. (*Laughter.*) Well, it would be far too easy for me to blast off in response to this what would be quite a damaging amendment, so I am not going to. Instead I am going to be a lot more pragmatic than that.

1960 We are told in the explanatory note that, given the financial position of the States, it seems difficult to justify another increase. But I disagree with that completely. It is not difficult to justify, as far as I am concerned, because the increase is a much-needed increase for some of the most needy members of our community.

As I said during the speech I made on the amendment that was laid by Deputy de Lisle and myself yesterday, calling for an increase in the Age-related Tax Allowance, if we are not prepared to

1965 help the most needy in our community as much as we possibly can, then we should all go home, resign and hang our heads in shame.

Of course the irony here is, if I recall correctly, I stand to be corrected, if I have got this wrong, Deputy Dyke voted in favour of the de Lisle/Queripel amendment yesterday, which called for an increase. So on one issue we have a Member who supports an increase and on another issue, the same Member is totally opposed to an increase.

1970 Surely there is an element of contradiction there? But of course Deputy Dyke need not be too concerned about contradicting himself. Every single Member of the Assemblies I have been involved in have all contradicted themselves at some stage. I have done it myself. I can guarantee that every single Member of this Assembly will contradict themselves at some stage in this term.

1975 I just want to quote from a letter that was in the *Press* recently. This is just a paragraph that sums up completely why I am going to rally and vote against this amendment.

Any successful attempt to stop the benefit limitation being increased or to restrict its increase to less than the proposed 5% will leave the 21 families currently feeling its effect even worse off.

1980 I ask Deputy de Lisle and Deputy Dyke, through the Chair, to withdraw this amendment. If they cannot bring themselves to do that then I ask for a recorded vote, please, when it comes to the time to vote. Thank you, sir.

The Bailiff: Deputy Burford. Actually, I have changed my mind. I am going to contradict myself, just to prove Deputy Queripel right! (*Laughter*) I am going to call Deputy Bury to make her maiden speech. Apologies for that.

1985 **Deputy Bury:** Thank you, sir.

1990 There has understandably been some confusion among the public around the terminology benefit limitation. This is something we at the ESS Committee recognised and discussed changing to have a more self-explanatory and clear title. However, as the Members of the Assembly will know, and I am sure Deputy Helyar will agree. Time is not something that has been readily available to us with regard to this Budget and the non-contributory benefits report.

1995 So, perhaps this is something that we will be able to return in the future. While that confusion is something that understandably exists in the community, I do not expect that there is confusion among my colleagues, with regard to the terminology, as the details behind that terminology were laid out clearly in the Report and have been since further explained in various communications.

2000 But for clarity and building on what Deputy Roffey said for those listening, it is important to be clear that it is a maximum income limitation and is rarely the amount of benefits a householder is receiving. It is a combination of wages and other benefits. These are taken into account and the Income Support tops up to get the household to reach their need figure. The need figure of a household is calculated according to its circumstances.

2005 Many people receiving Income Support require a lower need figure and that is what they receive. But a few do reach the maximum figure and even fewer, in fact, are calculated requiring a higher need figure and those are generally families. In those circumstances, those families, often with young children who are deemed to need more, are not given it. We leave those families, Guernsey families, Guernsey children living in our own definition of poverty.

2010 I do not know how that sits with the rest of the Assembly's interpretation of Guernsey Together, but it does not sit well with mine. And I think it is important to bust the myth, which has already been busted, but it is written in my maiden speech and I do not find myself nimble enough to change it! (*Laughter*) The myth is that those claiming benefits are not working or are not willing to work. Income Support is an in-work benefit and claimants have to reach a work requirement to receive it.

Figures taken very recently, in November of this year, show that in a relatively small number of cases that reach the benefit limitation, almost all of those are meeting their work requirements and

2015 the few that are not are people who are unfit to work or that have caring requirements that restrict them from working.

If this amendment passes, we are looking at leaving this Chamber today having allowed up to 241 children to remain in poverty. That is according to the August figures. The original Proposition will decrease that to 172 children. The ideal, of course, would be to have no families living in poverty and the way to do that would be to scrap the benefit limitation altogether. But in recognition of the current circumstances, the Committee responsibly tried to strike a balance between the economic climate and moving towards reducing the number of families forced to live in poverty.

2020 Last week, sir, the Guernsey States proudly and rightly so celebrated itself in the media, for signing up to the UN Convention for the Rights of the Child, with Deputy Soulsby quoted in the media as saying:

2025 Placing the rights of children at the centre of everything the Government does is naturally essential.

There were two articles of that Convention that I feel are pertinent to this debate. Article 18 features a line on state assistance and it says:

Governments must support parents by creating support services for children and giving parents the help they need to raise their children.

And, Article 27, titled *An Adequate Standard of Living*, says:

2030 Every child has the right to a standard of living that is good enough to meet their physical and social needs and to support their development. Governments must help families who cannot afford to provide this.

It is almost unbelievable that not a week later we find ourselves debating whether we can allow those families an extra £40 a week to lift them out of poverty. As Deputy Queripel said, the amendment uses some unfortunate language. The explanatory note states there was no justifiable reason to raise the limit. I do not believe that reasons come more justifiable than children going hungry, cold or not having enough to reach their potential. (**A Member:** Hear, hear.)

2035 While I am yet to get to know all of my colleagues better, I would find it hard to believe that anyone willing to put themselves up to serve their community, would be happy to see children in that community going without. But perhaps some of my colleagues, through their own fortunate life circumstances, may not be able to grasp the gravity of some of these families' situations.

2040 They may never have had to choose between rent and food, electricity or bus fare to work, or between saving a little for a child's birthday present and paying the next bill. But I have. So I implore my colleagues to recognise that this does happen in Guernsey and to realise that now, it is happening on our watch. I would ask my colleagues to remember sir that just because it is not happening to you does not mean it is not happening at all.

2045 While, yes, this is an unprecedented year like no other, with financial pressures like we have not seen in recent history, here is a final point, you will be glad to know, that I believe is a good gauge of public opinion. Since 1927, every year the British public have been raising money for BBC's Children in Need. Children in Need's remit is to support children and young people affected by a whole range of disadvantages, one of those being poverty.

2050 This year, in a year where many people have had their incomes dramatically reduced, or even lost, Children in Need has so far raised over £41 million from donations from the public. For an example, on a smaller scale but much closer to home, this year's Guernsey FC's Christmas food bank appeal received a record number of donations from the Guernsey community. Last year they created 34 food hampers for less fortunate families and this year they achieved 58.

2055 So, the public are still donating, our community is still donating. That is Guernsey Together that is our community and I think we should reflect that public opinion in our decision-making today by rejecting this amendment. Thank you, sir. (*Applause*)

The Bailiff: And now Deputy Burford, please.

2060 **Deputy Burford:** Thank you, sir.

An old friend had this advice for the occasions one finds oneself in a situation of writing a letter in anger: put it on the mantelpiece, sleep on it overnight, because when you come back to it, refreshed the next morning, you will have thought of all the extra things you wanted to add to it and it would be unfortunate if you had already posted it.

2065 So it was with this speech and this amendment. I kept coming back to it day after day, still incredulous that two Members of this Assembly think it is a good idea to start trying to plug the financial hole by inflicting a real-terms cut in the income of some of the poorest families on this Island.

2070 Now I do not think there is anyone in this Assembly who does not want to see prudent spending decisions and to realise opportunities for saving money, particularly on the Revenue Account. On that point, I am sure we are all agreed. However, as always, the questions are: where is it appropriate to make those savings and, separately, what might be the unforeseen costs of doing so?

2075 The Financial Transformation Programme provided examples of where cuts or freezes were made easily, only for it to be discovered in due course that they were false economies and more had to be spent, in order to repair the damage caused. We also know that, particularly in matters of social policy, it is necessary to have a long-term view of policy outcomes.

2080 Forcing children to live in poverty not only demonstrates a total lack of compassion but it will likely cost society more in the long run. Of course, to anyone who has not studied how the Social Security system works, the figure of £44,200 as an annual household income, as quoted in the note to the amendment, could lead some to think – as some of the discourse on social media testifies – that certain families on our Island are living a life of Riley courtesy of taxpayers on modest incomes themselves.

2085 But of course that simplistic analysis fails – as simplistic analyses always do – to understand the facts and complexity of the issue, some of which was so eloquently outlined by Deputy Roffey in his opening speech. The States is approaching the point in its term where some will be starting to realise that things in general are not as simple or straight forward as perhaps was imagined. I certainly remember that point in 2012.

2090 I am grateful to Deputy Roffey for the contributions emailed to all Members, since the submission of this amendment, and have concentrated hundreds if not thousands of pages of information around the Social Welfare Benefits Investigation Committee's work into a manageable format.

2095 It must be remembered that the benefit limitation is just that. It is a limitation. It is not a target. In other words, the vast majority of families receiving Income Support do not come up against this limitation because their calculated requirement rate is lower. But a few do and they are, for the most part, families with four or more children.

2100 Now I am sure there will be some who consider that those parents should not have had so many children if they could not afford to bring them up. This view, however, overlooks many things, including that people's circumstances change due to matters outside of their control, such as disability, redundancy and bereavement. Crucially, it also overlooks the fact that the children are not responsible for their circumstances.

2105 I was astounded at how Deputy Dyke framed these families in poverty as being in some way feckless and unable to look after their own children, saying that the States is in *loco parentis*. The correlation that Deputy Dyke makes between poverty and bad parenting will be grossly offensive to those parents, often working parents, whose only crime is to be short of money, often through circumstances beyond their control, often working full-time at minimum wage, doing work that the vast majority of those in this Assembly would not do for five times the pay. (**A Member:** Hear, hear.)

2110 When considering matters such as these, one could do much worse than turn to the work of the 20th Century philosopher John Rawls. He is perhaps best known for his thought experiment, the Veil of Ignorance. It is a device for testing the fairness of a proposal and for exploring issues about justice and social status.

2115 The central idea is that one should make decisions about how society should be organised from behind what he called a Veil of Ignorance, whereby one has no idea about what one's own social class, race, position in society, wealth, disability or even personality might be. From behind this Veil of Ignorance, people are much more likely to make decisions that are fundamentally just, as they do not know where they themselves would be in such a society.

2120 Paradoxically, I am glad this amendment has been laid. It will be an early indication of the priorities and, much more importantly, the values of this States. The £45,000 in real terms needed to increase the limitation is essentially a Deputy's salary, or 0.01% of the States' annual expenditure, or a fraction of some of the speculative consultants' reports so freely and repeatedly undertaken from time to time.

2125 It is, in States' Budget terms, a fiver found in an old jacket pocket. But for the families involved, it could be the difference between food and hunger, warmth and cold, them and us. Many Members will have supported the spirit of Guernsey Together during this pandemic. We simply cannot be Guernsey Together if we even believe that using such a relatively small sum of money to help lift around 69 children out of poverty is something we cannot afford.

2130 We have cut overseas aid – wrong, in my view – by nearly 20 times this amount, with arguments that charity begins at home. Sir, there is no charity in this amendment. Deputy Dyke says it is difficult to justify this increase. I would argue that it is impossible not to. I urge Members to resoundingly reject this amendment.

The Bailiff: Deputy Soulsby.

2135 **Deputy Soulsby:** Thank you, sir. Just on the back of what Deputy Burford has just said I have to say I was somewhat shocked listening to some of Deputy Dyke's speech. He is aligning poverty with parental neglect and if you are poor you do not know how to bring up children. It is just incredible, the idea of the feckless poor.

2140 As Deputy Bury said in her what I thought was an excellent maiden speech – that is not because she quoted me! – it is an in-work benefit. It is not about families lolling around, watching Netflix all day. Deputy Dyke says we can do more in terms of, say, free GP appointments. Well people on Income Support already get free GP appointments and one of the last actions of the last States was to approve the reallocation of Family Allowance from those earning over £120,000 to reduce GP fees and dental check-ups amongst other things for children.

2145 We have also introduced, last term, the strengthening families initiative. As we know it is something that Deputy Brouard has always felt very strongly about and I was pleased that HSC was able to do that last term, to support those families who are struggling in looking after their children. I think that would make a huge difference.

2150 Deputy Queripel referenced Deputy Dyke voting for the amendment on Age-Related Annual Allowances but really what was worse amongst that is not just the fact that they are voting it is that it was an amendment that would give more money to thousands of those who do not need it, whereas this amendment, this will just benefit 21 families in a far worse position. Guernsey already has a relatively high Gini coefficient. That is the measure of inequality in our society. And we know Covid has had a bigger impact on the poorest than on the richest. So this really is not the sort of amendment we need right now and I do ask Members to reject it.

2155 **The Bailiff:** Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

2160 I would just like to congratulate my Vice-President on HSC, Deputy Bury, for an excellent maiden speech. (**Several Members:** Hear, hear.) I would like to say our struggle this afternoon is to try and stay awake after three courses of food at Moores at lunchtime, that we have paid £18 for and thought nothing of it; £18 to some of these families is a hell of a lot of money. That would not just feed one person, that would feed their family.

2165 So we need to think about this. I am not going to chastise Deputy Dyke and the bringers of this amendment, I just think they are completely wrong. The letter in the *Press* that my colleague Deputy Queripel mentioned, if everyone read it, hit the nail on the head. Really hit the nail on the head. I think we should move on, dispose of this amendment, pass the Propositions by ESS and put the rest to history. Thank you, sir.

The Bailiff: Deputy Inder.

Motion to withdraw debate.

2170 **Deputy Dyke:** Sir, having consulted with my friends, I think I will pull the amendment. But can I comment that I have been misrepresented somewhat? The mood of the Assembly is obviously against it. My point was that it is an inefficient, untargeted effect to give money to very dysfunctional families. It often does not get down to the children. There are better ways of doing it. But I sense the mood of the Assembly, so I will pull the amendment.

2175 **The Bailiff:** In the absence of a Law Officer currently in the Assembly, can I just have a quick word with the Greffier, please?

The Bailiff consults the States' Greffier.

2180 **The Bailiff:** Members of the States, the procedural issue that I am struggling with is that under the terms of our Rules, I am not sure that you can withdraw an amendment once debate on it has been started. We can guillotine it or what we could do is, given the indication that has been provided by Deputy Dyke that he no longer wishes to invite the Assembly to support the amendment that he is proposing because, as he puts it, he senses the mood, one option would be that no one else –

The Procureur enters the Chamber.

2185 **The Bailiff:** Ah, it is almost that pantomime moment where the heroine walks into the room and we all give a big hurrah at that point! (*Laughter*)

2190 Madam Procureur you may be able to help me because I am in a slight dilemma here as to know procedurally, under the terms of our Rules of Procedure, whether once an amendment has been opened and is in play, it is permissible for those who are moving the amendment to seek, as Deputy Dyke does, to withdraw it or whether effectively there does need to be a vote on it but we can curtail debate on it. Do you have any advice to assist me?

2195 **The Procureur:** Sir, I think this has been dealt with in different ways over the last term. There is the motion to withdraw, as you will be aware of, which is a written motion to withdraw an amendment, once laid, but also, if recollection serves me correctly, the previously Presiding Officer has allowed Members to withdraw it in different circumstances. So, it is very much a matter for you, sir, but of course, if I recall correctly, there has also been a requirement the seconder has also agreed that the motion is not going to be laid, if that is the decision you wish to make, sir.

2200 **The Bailiff:** Deputy Dyke referred to his friends. I was not quite sure who he was referring to there but I imagine it does include Deputy de Lisle. Do you have a view Deputy de Lisle on the amendment?

Deputy de Lisle: I do, sir.

2205 **The Bailiff:** I know you want to support it but do you want to withdraw it?

Deputy de Lisle: If the proposer wants to withdraw it, so be it. My concern was more with the fact that I have had concerns related to me with regards to –

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The Bailiff: Deputy de Lisle, I do not want another speech because you have already spoken.

Deputy de Lisle: Right.

2215

The Bailiff: What I simply wanted to know was whether you concur with Deputy Dyke's wish that the amendment be treated as withdrawn and no vote be taken on it.

Deputy de Lisle: Yes I can.

2220

The Bailiff: Members of the States, I am going to put to you a simple motion at this point to try and be pragmatic and that is to invite you to invite Pour or Contre that the amendment can be treated as withdrawn. Those in favour; those against?

Members voted Pour.

The Bailiff: I will declare that carried. We will treat that as is that would be the same outcome if the amendment had been put to the vote and we will now return to General Debate, bearing in mind that the President has already opened debate.

2225

So, who wishes to speak in General Debate on the Propositions? Deputy Gollop.

Deputy Gollop: Thank you. I am glad the amendment is out of the way because I certainly was not going to vote for it and I have been consistently supportive of the direction of travel of both this Employment & Social Security Committee, as a Member, and its predecessors. And like some other Members I kind of wish to comment a bit on the wider questions.

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I know it has been a very serious debate because it is a very serious subject but when Deputy Dyke was characterising, from his perspective, children from dysfunctional families, which is not what we are talking about today, actually, he talked about unwashed, poorly dressed and not well-fed. Well, I thought that could have been a description of me on occasions! It could apply across the spectrum, these kinds of things, in more ways than one. We all can mangle at times as well.

2235

I know Deputy Dyke has actually shown already, and other Members of the Guernsey Party, quite a lot of social conscience, in that I think that they have been keen on looking again at the nurses' pay issue, for example, or people in the front line of Public Health. Also, at the current rate, which has stayed in a pre-inflationary vacuum of the medical support, medical benefit and the nurses' benefit, doctors' card.

2240

But of course all those measures that we have had over the years are part of a bigger portfolio of social policy that needs to be looked at and I took on board what Deputy Dyke said earlier about the need for maybe some kind of *ad hoc* working party to look into all of this. I agree with that. Maybe the think tank will assist as well. But only a few weeks ago you elected a new Employment & Social Security Committee, which were elected unopposed. Deputy Roffey put up four candidates and strangely enough three of them happy to be very independent individuals, Members of the same what you could loosely call a political party and there were no Members who stood for it from another party.

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We are now going to go into a fiscal review, of which Deputy Roffey and probably other Members will have extremely useful contributions to make. Of course, in my view, perhaps not in everyone's view, just as we are having an especial Budget meeting, the fiscal, tax budget and the Social Security budget, the whole issues are inter-related and have to be looked at holistically.

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I would agree with Deputy Dyke, to the degree, that there is a perception amongst some members of the public that people who fall outside of the welfare net, because we have not got enough money to give everybody everything, feel a sense of being aggrieved and that is a

2255 conversation we need to have about whether there are things like earnings limitations, disincentives to aspiration, disincentives to overtime. Issues with housing costs and so on, because as Deputy Roffey and others have explained, we solved one problem with the Income Support and the basket of goods and we created a few other anomalies that we are doing our best to sort out.

2260 We brought the private network in and we can only cover so much. We are already providing a free dental check for people on Income Support. If we started to go down a lower 10% tax rate, as the Isle of Man has done, we touched on this in the Budget, it would cost more because it would be in a way a bit like our current blunt instruments of tax allowances.

2265 Actually the very nature of what Deputy Roffey and the Committee have described are very targeted. They are specifically based on the requirement rate of individual families and individual families and individual need in particular circumstances. It is not a universal benefit in that sense, it is not a gift to everybody.

2270 As we heard, there are only a minority of people in that situation but they are precisely the minority who we wish to protect from poverty, from real poverty, from impoverishment, from a sense that they are not sharing in the Island's prosperity. Raising the benefit limitation would have very little impact on claim numbers. There has never been an influx of claims each time the cap has been raised.

2275 Because, in reality, most people in Guernsey want to earn as much as they can and Deputy Bury put this in an excellent way. There should not be any confusion about our role as custodians of children and our role in supporting families on moderate need who are doing their very best, the parents and grandparents and guardians for the children. Those young people can struggle and their families can struggle and, contrary to the myth, the popular belief, many are working hard in part-time or full time jobs. Harder, perhaps than some of us.

2280 So I very much wish that we support the whole package today and if you want a bigger conversation about reform of our tax and our benefits system, so that we focus support predominantly on those in the lower quartile, or perhaps the lower half of our earning society, I think that is a work for this Assembly to do next year. But let us get on with supporting the Committee today.

2285 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Sir, I am going to deliver a speech I would have delivered if Deputy Dyke had proceeded with his amendment. I do not think he should feel too bruised because I think there is a wider issue that should be addressed in due course because, undoubtedly, there are some feckless parents. But that is not what we are talking about.

2290 As Deputy Roffey said when he opened, we have got to look at this through the eyes of the child. The child is the conscript. It is never the child's fault that the child does not have enough to eat and there are not many neglected children in this Island. When we had the 11-plus debate back in the last States' Assembly, I went to Amherst school, which was the school I went to from the age of seven to 11, and I spoke to certain of the teachers and there were many kids there that were going there without a meal in the morning, without being properly cared for, where the teachers were having to have breakfast clubs, etc. That is in the 21st Century, here in this prosperous Island. That was down to some of the parents, it was not always down to the money.

2300 But let me tell you the story through the eyes of a seven-year-old boy some years ago, in relation to that. The seven-year-old boy's father broke his back and had to go to hospital in England. He was in a hospital in England for some months. The seven-year-old boy's mother was 25/26, because she was about 18 or so years older than him, and that seven-year-old boy had two sisters at the time, another one came along another time.

2305 The seven-year-old boy's mother had to go out cleaning when the seven-year-old boy came home from school and looked after his sisters, while the mother went for five hours a night, five days a week, and on Saturdays to clean so that she could pay the rent, so that she could feed the children so the children were warm.

2310 There could not have been a more loving mother. Nowadays, we would have a battalion of social workers and the children would be probably taken into care or something like that. That did not happen in those days. That seven-year-old was also fortunate because his father was one of 14 children and his father had eight brothers and one of those brothers, who was also a working man, used to every week come, because we are talking about a long time ago, and give one tenth of his wages to his sister-in-law, so that she could help feed her children.

2315 Another one of those father's brothers used to come because he was a worker and he was an agricultural worker and he had vegetables, potatoes, etc. He also used to slaughter cattle that he would have in the field, and pigs, and he would give meat and food to his sister-in-law. That sister-in-law, that seven-year-old's mother had to live on and bring up her children, which she did magnificently, on nothing, because she had the income that she earned from her cleaning job, she had the benefits that she got, the benefits in kind, if I can call them that, from her two brothers-in-law, who brought her the food and the money that I talked about. There was no social benefits. I
2320 do not want to go back to that. I was that seven-year-old boy.

The Bailiff: Deputy Queripel.

Deputy Queripel: Sir, thank you.

2325 I just want to speak on the issue of the Fuel Allowance, which is less than it was last winter. I fully understand that the decrease reflects the cost of fuel, but Social Security take the statistic up until June of every year and I did ask the question of the previous Committee, is there not a way that they can extend that. That was six months before the policy letter was laid before us.

2330 The last time this occurred, fuel increased from June to October, 16%, which meant that any recipients of the Fuel Allowance were deficient of that 16% and it reflected in the applicants to the Age Concern Fuel Fund. We had more that year than any other year.

2335 There is probably a perfectly justifiable reason for this but could Deputy Roffey just explain, please, why it ends at June? Why cannot they look at the increases or the decreases in the cost of fuel until a much later period? Perhaps even four months later. Because, as I said, it is six months before the policy letter is laid before the States.

2340 It concerns me now that, if the trend was followed, as it has done in previous years, there is an increase in the cost of fuel, a substantial increase, the recipients of the Fuel Allowance will be once again deficient. So I would just like some clarification on that. Deputy Le Clerc, when she was head of Social Security, said the Committee had discussed it and they had decided, as much as they wanted to carry on further research into it, it was not a priority. I understand that but I think it should be a priority, as I explained that to Deputy Le Clerc in a previous Assembly. So, if Deputy Roffey could comment on that please, I would be very grateful.

Thank you, sir.

2345 **The Bailiff:** Deputy de Lisle.

2350 **Deputy de Lisle:** Sir, I wanted to make clear my position on this because it was a matter of wanting a review of the Income Support policy, which I am just hoping will be taken up and perhaps that can be given some confirmation, with the Tax and Benefits Review that is ongoing and that will be reporting to us in the near future.

2355 It is just that I had people that were concerned that they had lost, actually, as a result of the integration of the Rent Rebate Scheme and the Supplementary Benefit, they had lost out in terms of their benefit and others were concerned that they were only on the Rent Rebate Scheme and when the change came and the integration came, they found themselves then on Supplementary Benefit as well and they felt that they were on benefit, whereas they were not, in reality, in the same status as they were before and they did not like the benefit being around their necks, to the same degree.

2360 Because they felt that being simply on rent rebate they could eventually perhaps get themselves into the private sector and into private sector housing or perhaps buy their own place in the future but, once they had found themselves on supplementary as well, it was going to become more and more difficult to wean themselves out.

2365 So, those were the concerns that were related to me, and as a result, I said that we should look again. Of course, the Department has found itself in a plight because it has found more and more people having difficulty in paying the sorts of rents that Deputy Roffey was talking about, £441 a week, whereas perhaps they were on £20 or £30 before and they have had to make significant adjustments to the way that they finance their weekly shop and so on and so forth and their general requirements.

2370 So, there is an issue here. The Department has said that some people are actually on lower benefits now than they were before this integration and also they realise that they have got a problem with a number of beneficiaries, if you like, that are having difficulty paying their rents and are having difficulty in sorting out their general economics, with regard to household living.

2375 This needs to be taken up, it needs to be looked at. It was the reason that I seconded this proposition of Deputy Dyke because I just feel that we need to review this and perhaps it will be done and Deputy Roffey might give me that assurance. But it will be looked at within the whole scope of this tax, benefit review that is forthcoming. Thank you, sir.

The Bailiff: Deputy St Pier.

2380 **Deputy St Pier:** Thank you, sir. I just want to make two points. I want to raise a very specific point with the Committee. A couple of weeks ago I was approached by a member of the public. She is a single parent and a sole carer to a 20-year-old child who has a complex mix of disabilities, including severe autism and hearing loss, a connective tissue disorder and an eating disorder. His needs do not meet the criteria for adult disability services. He is in part-time education at the Guernsey Institute, where the staff do not, perhaps understandably, have the skills and experience to meet his needs.

2385 If his mother was unable to care for him, he would become the full-time responsibility of Health & Social Care, probably off-Island, to meet his needs. Of course, that would not only be incredibly expensive for the Island but, in the current time of Covid, actually dangerous for somebody who is medically at risk.

2390 This is not a complaint at all about Adult Disability Services, Employment & Social Security, or Education, Sport & Culture, but merely an observation that it perhaps is time to think outside the box and offer a more bespoke solution service, along the lines perhaps of personal budgets, which are offered other jurisdictions.

2395 Now, this situation is incredibly complex and Employment & Social Security and Health & Social Care officers have been involved many times over the years, clearly trying very hard to seek an improvement for this particular family's situation and she wrote:

We seem to live in a chasm between services and it simply is not sustainable for us to continue like this. As I mention in my letter, lockdown is familiar to us, if anything easier than our normal. Nobody should have to live like this.

2400 Now, having now met this individual twice, it is clear that she is not critical of any individual. This is not a service delivery problem. Everyone, and she was keen to emphasise this, everyone is doing their best within the policy constraints given to them. Their circumstances, in essence, just fall between the policy cracks.

2405 Of course, there will be other families with different, similarly complex circumstances, who also fall between the policy or outside the policy framework. In a small community of 63,000, it should be no surprise that we cannot possibly hope to design a policy framework that meets every individual's or family's need.

2405 The Carers' Allowance, which is referenced of course in the policy letter, was introduced in its original form in 1984, 36 years ago. Originally designed, it seems, primarily to support a mother

staying at home, and it has been tweaked, but it has remained largely unchanged since then. I think the time has now come to lift the drains on this particular allowance and policy area, to see if it actually remains fit for purpose in 2021 and beyond.

2410 Now this matter was actually brought to my attention too late to bring an amendment to this policy letter's Propositions, but I am very grateful to the Members of Employment & Social Security for their engagement with me on this issue and I had given the President fair warning that I would raise this matter in debate.

2415 What I am seeking from him in his summing up is that, notwithstanding the absence of a Proposition, he will still commit that, even with a number of other priorities, his Committee will take a look at this area and report back, at least initially, in the Committee's next updating report and I would be grateful if perhaps Deputy Roffey could comment on that when he sums up.

2420 I think the other area I do just want to comment on is the question of benefits limitation and I think the amendment that has been withdrawn, I think it was ill-judged, but I think Deputy Dyke has been very wise to withdraw it and I think he should be commended for taking that action of withdrawing the amendment.

2425 Both he and Deputy de Lisle, in speaking to the amendment, referred to the benefits cap and I think that speaks to the first issue I want to make about this, which is the term benefits limitation is a misnomer, it is really an income cap, a limit on the amount that a family can earn. I would strongly urge, and this is of course again addressed in the policy letter but other than commenting on it nothing is done about it, I think given the level of misunderstanding around this area of our benefit system, I would strongly urge the Committee *for* Employment & Social Security, to take this away and change the language, as I think it really is misinforming the whole narrative around this area, which is deeply unhelpful to the families that we are talking about.

2430 I think all of the families affected by the benefits limitation, and of course there are 55 of them, will be better off if the benefit limitation is increased as set out in the policy letter. Of course the amount by which they will be better off will depend on how much they are short of their level of need, as Deputy Bury said in her excellent maiden speech.

2435 So, if a family is £10 a week short their Income Support top up will increase by £10. If they are £40 a week short, their Income Support will increase by £40. If the family is £90 short a week, then their Income Support will of course only increase by £40 as the benefit limitation, the income cap, will leave their Income Support at £890 a week, so they will still be £50 a week short.

2440 Three-hundred-and-forty individuals, and this I think speaks very much to Deputy Leadbeater's point, 340 individuals, 241 of which are children, will benefit from any increase in the benefit limitation, so the average cost of increasing the relevant limitation from £850 to £890 a week, using the proposed requirement rates for 2021, is approximately £5.65 per week per individual, in the context of Deputy Leadbeater's point about £18 for lunch at Moores, or £8 a week per child.

2445 Of course, in reality, the value of increase per child or per family will vary, based on the circumstances of the family concerned. So, by increasing the benefit limitation from £850 to £890, 19 families, including 69 children, will no longer be affected by the benefit limitation. But, of course, the remaining 36 families will still be affected by it if it is set at that level, but they will at least benefit from some increase, as explained in my speech.

2450 So, sir, I am supportive of the proposals as set out in their entirety by the Committee *for* Employment & Social Security and thank them for bringing it and I am grateful to Deputy Dyke and Deputy de Lisle for withdrawing their amendment. But I would be grateful if, perhaps, Deputy Roffey would address that question, of the future of Carers' Allowance, and taking a look at it when he responds to the debate, sir.

2455 **The Bailiff:** As no one else is rising to speak in the debate, I will invite the President of the Committee, Deputy Roffey, to reply to the debate and deal with that point.

Deputy Roffey: Thank you. I will deal with that point straight away, if you like, sir. We are meeting as a Committee, if the States have finished on Friday, to have our first consideration from

2460 a long list of possibilities of things that we are going to prioritise as work streams. I do not think there is any doubt that Deputy St Pier is correct that it is time.

I was in the States when we first brought in that scheme in 1984. I think it was reviewed, actually, about 2011, but I always believe in ongoing policy review. I cannot absolutely promise there will be any changes in next year's operating report because we will have to pick and choose our very limited policy officers' time to decide what we bring forward first. But I will certainly give him the undertaking that we will take a look at it, absolutely.

2465 What I do not give an undertaking to is the call from Deputy de Lisle, and I think from Deputy Dyke, for a root-and-branch review of our welfare system. We arrived at Income Support, and implemented it two years ago, after a decade of painful long debates in this Chamber. I do not know how many there were. I was not here for all of them because I was gone from the States for quite a while. But it was a tortuous process.

2470 Yes, there are a few snags, a bit like any building, a few snags we are trying to work out and this is one of them today. Yes, of course, if we are looking at taxes and looking at Social Security contributions and benefits, the whole thing would be looked at in the round, I have no doubt about that.

2475 But the idea that we are going to go back and actually do, at this stage, just after introducing it, just when we are trying to get those services online so people can apply digitally, and we are just trying to get all the systems in place and go back? Why? This system is actually working extremely well. It is coming in on budget – not this year because of Covid – normally it is coming in on budget and for many people it is providing a far better service than the old one did.

2480 Now, Deputy de Lisle says some people lost out. Yes, there were winners and losers, and you do tend to hear a lot more from the losers in any change than you do from the winners. The big winners actually were some of those on very low incomes, living in the private sector, who did not get rent rebate.

2485 Deputy de Lisle said some people are on benefit now, they were not on benefit before, they were just on rent rebate. Rent rebate was a benefit. If the market rent – actually it is not a market rent but the set rent – for your States house or your social rental house is x and you are paying a half of x , you are getting half of x in benefit. Now, I know it did not maybe feel that way to some of the families, it was just the rent that they pay, but it was a benefit. So I do not fully take his point.

2490 Now, sir, some things were said, earlier on during the debate on the abortive amendment, which I think, they cannot be unsaid because if they were unsaid we would have to allow Deputy Bury another maiden speech and all applaud her again because it did not really happen, because it was only to do with ... So, I do think that they related to our proposals, really, as well as for the amendment, and I do think I need to make some comments.

2495 Deputy Dyke said, for instance, that there had been a very speedy increase in the benefit cap over the last couple of years. Yes, he is absolutely right. We recognised the fact that that needed to happen. It will still be, if we pass these proposals today, less than it was in the *de facto* system, the *de facto* cap under the old system was still higher than we will be at today if we approve these proposals. That is why it has gone up quickly.

2500 If anybody feels the system is too generous, what I cannot understand is why, if the requirement rates are too generous, then someone should try bringing down the whole of the requirement rates. The fact that they are perfectly alright for a two-child family that cannot possibly hit the cap because they do not have enough children to hit the cap, their requirement rate cannot get up that high, but they do feel that they are too generous for a five-child family, I do not understand the logic of that at all. I do not think they are too generous but if they are, then try and moderate the requirement rates and do not try and do it through the cap.

2505 It was also said, I think again by Deputy Dyke, his real frustration was it was too unfocused, too inefficient. It is not. This is a really focused system. This system looks at individual families, their exact requirements, and tries to actually tailor to that. Instead, he suggested bringing in a 10% tax band, which would, I presume be a portion of your income of which anybody, however high their

2510 income, and I am sorry Deputy Parkinson, unless they were very high, had it removed, but just about everybody would enjoy that 10%, so it would be far less focused.

He and Deputy de Lisle were worried about too many people in benefit, and yet they would say there ought to be less of a cliff edge, a more graduated system, for people who were working, where you did not take that pound for pound. That would actually keep a lot more people inside
2515 the benefit system.

We have looked at this, we are looking at this, whether there can be more of an incentive for people to earn more. But I have to say, laudably for the people who are claiming benefit, sadly for them in a way, we actually do not feel a pressing need, because all the evidence is that even with losing pound for pound, above that first 35 quid whatever they are allowed to have, it is not holding
2520 them back from trying to actually better themselves and earn more and get more money.

So, it would be more money spent by this Assembly, without actually achieving much of an end. Although, it does seem fair in many ways. Where I would agree with Deputy Dyke was this business about we have to be very careful about pay rises and losing your eligibility to social housing. Social housing is designed for the relatively less well-off members of our community. We cannot have
2525 people on absolutely huge incomes living there because they would be tying up an asset somebody else needs more.

But particularly if they were younger people and they are trying to perhaps get on the housing ladder and they are saving, we must be very careful not to turn around and say you have got too much money in the bank, you have to move out now, when they are only half way towards getting
2530 the deposit. That is being reviewed and it is being looked at again and we are going to, I think, be far more flexible in that respect.

But the bit that, I do not know, I thought I had misheard it possibly, until Deputy Soulsby ... I give way to Deputy Ferbrache.

2535 **Deputy Ferbrache:** I do not mean to ask Deputy Roffey to give way, because I have got to leave the States' Assembly in about 45 minutes on States' business and to say, if I could vote now, I would, and I would vote in favour of the Propositions.

Deputy Roffey: Thank you very much.

2540 Sir, I thought I had misheard something that Deputy Dyke said until Deputy Soulsby I think almost confirmed that I had heard it. The suggestion that there is any particular correlation between the families that Proposition 2 is seeking to help and families that do not look after their children properly, do not clothe them properly, do not feed them properly, are chaotic. I am sure there may be one or two but there are plenty of those that fall outside this.

2545 Most of these families are absolutely doing their best and I just think that is regrettable. I would actually invite him to withdraw that correlation that he implied. I am very happy to give way to him if he wants to get up and actually withdraw that because it really is not justified.

I give way to Deputy Dyke.

2550 **Deputy Dyke:** Thank you. In answer to your point, the point I was trying to make was that at the very high levels of benefit, with very large numbers of children, tend to be the families that are dysfunctional and my point was that applying more money to those parents is not necessarily very well targeted because it may not be very well spent and there were better ways of spending that money, for example, in direct interventions with those children rather than money to the parents.
2555 That was my point.

Deputy Roffey: Unfortunately, rather than withdrawing on it, he has doubled down on it. There is no correlation in my view. Some of these families are working in our care homes. Some of them are working for the States in low-paid jobs. They have got quite high outgoings in forms of rent,
2560 they need a bit of a top-up and they happen to have four or five kids, so they have got a high

requirement rate. That does not make them bad families. It does not make them bad parents and I really regret that that has been said today. (**Several Members:** Hear, hear.)

2565 Ah, calm myself down and go onto Fuel Allowances, I think, and Deputy Queripel. Well, we have to take a particular quarter where we take what the inflation has been for the last 12 months and apply it to the Winter Fuel Allowance. This debate on uprating has come later this year than it normally does. Because it is debated alongside the Budget, it normally happens in November. It means it has to be submitted a couple of months earlier and therefore waiting for the end of September figure, which was the next one to come, which we do not really know about until the middle of October, is really tight.

2570 One thing you should not do, is take different quarters every year, because sometimes you gain, sometimes you win, but overall if you take the same quarter every year you tend to get the right pattern for the change in the cost of anything, in this case the cost of fuel.

2575 We are looking again at the ... the whole Winter Fuel Allowance is tricky because people that are on Income Support get it and it is the same amount no matter what property they live in. So you might have one of those ultra-modern GHA houses where you put the lightbulb on and you are actually opening the window because it is getting a bit too warm in there because they are so beautifully insulated, or you might get one of our older properties that, with the best will in the world and we will be coming to the States, I tell you, really soon with proposals to really improve the thermal insulation of some of those estates but somewhere you seem to be putting coal on the fire all the time or whatever form of heating.

2580 So it is not fair. Trying to make it fair is going to be really difficult, I think. But we are taking a look at that to see what we can do.

I think the only other thing that was just said during debate that I just need to correct is that everybody on Income Support gets free medical care. That is not true. I think it probably should be true but it is not. There are totally different capital limits for being on Income Support and for getting assistance for your medical bills. So, if you are on Income Support because you have got below a certain level of savings, you can still have too many savings, modest though they are, than the very low levels that you have to fall below before you get any help with medical bills.

2585 But with that small correction I have been really encouraged, mainly by today. I have been a bit ruffled by one or two things that were said but by and large I was slightly worried, I must say, coming into this new Assembly, I did not know what their attitude on social policy was going to be. I was really quite apprehensive of what their social policy was going to be. Deputy Gollop is right, I think I hand-picked people who I thought were going to be really good on social policy and, by the way, absolutely cracking maiden speech by Deputy Bury, I think I picked the right person there.

2595 But I really thought there might be a bit of an old-fashioned view about social policy. I think I have been proved wrong today. I have been looking at the body language, I have been looking at people around this Assembly, I do not know, I may be shocked when we come to the vote in a minute – I hope not – but from what I have seen I have been encouraged and I really would ask everybody to vote for these moderate, modest and much-needed proposals.

2600

A Member: Can I request a recorded vote on Proposition 2, please?

2605 **The Bailiff:** Okay. Members of the States there are 10 Propositions. There has been a request for a recorded vote on Proposition 2. Are there any other requests to take any of the Propositions separately and for any other recorded votes? In that case, I will put to you Proposition 1 first. Those in favour; those against?

Members voted Pour.

The Bailiff: I declared Proposition 1 duly carried.
We will have a recorded vote, please, Greffier on Proposition 2 alone.

There was a recorded vote.

Carried – Pour 37, Contre 0, Ne vote pas 0, Absent 3

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Fairclough	None	None	Deputy Ferbrache
Deputy Falla			Deputy Le Tocq
Deputy Gabriel			Deputy Trott
Deputy Gollop			
Deputy Haskins			
Deputy Helyar			
Deputy Inder			
Deputy Kasantseva-Miller			
Deputy Le Tissier			
Deputy Leadbeater			
Deputy Mahoney			
Deputy Matthews			
Deputy McKenna			
Deputy Meerveld			
Deputy Moakes			
Deputy Murray			
Deputy Oliver			
Deputy Parkinson			
Deputy Prow			
Deputy Queripel			
Alderney Rep. Roberts			
Deputy Roffey			
Alderney Rep. Snowdon			
Deputy Soulsby			
Deputy St Pier			
Deputy Taylor			
Deputy Vermeulen			
Deputy Aldwell			
Deputy Blin			
Deputy Brouard			
Deputy Burford			
Deputy Bury			
Deputy Cameron			
Deputy de Lisle			
Deputy de Sausmarez			
Deputy Dudley-Owen			
Deputy Dyke			

2610 **The Bailiff:** Members of the States, the voting in respect of Proposition 2 was that there voted Pour 37, with three Members absent at the time of the vote and Proposition 2 is therefore declared carried.

Can I put Propositions 3 to 10 to you collectively, please? Those in favour; those against?

Members voted Pour.

The Bailiff: I declare all eight Propositions duly carried.

**Procedural –
Move to Ordinary Meeting**

2615 **The Bailiff:** Now, Members of the States, that concludes the Special Meeting. Under the terms of our Rules that would mean that we would have the Grace and then we might have a little break and then we would start the Ordinary Meeting with the first three paragraphs, in particular, of Rule 7.

2620 But because you are all sitting there comfortably and relaxed after lunchtime, what I am going to put to you is a motion that we dispense with all that and we treat everyone who is recorded as present today, all 39 Members because Deputy Le Tocq is sadly *indisposé* as still present and we simply move to the convening notice and into the business of the Ordinary Meeting without more ado. So, those in favour of doing that; those against?

Members voted Pour.

The Bailiff: Then on that basis that is what we will do.

2625 **Deputy Queripel:** Sir, could I have clarification please on what you have just said? Have you just said it is now recorded that everyone that was present this morning is now present, because Deputy Trott has actually left?

2630 **The Bailiff:** That is fine. He is still recorded as present for the purposes of the Ordinary Meeting this afternoon if he reappears. That is all I mean by that.

Deputy Queripel: Thank you, sir.

2635 **The Bailiff:** So we are just having a very brief pause, Members, while the Agenda for this Meeting is circulated to you. I do not think the early bits will come as any surprise, on the basis that it is no different from what was circulated electronically.

Greffier, we are just about quorate at the moment, but it is marginal. So can we call the convening notice please?

Billet d'État XXVIII

CONVOCATION

The States' Greffier: Billet d'État XXVIII of 2020.

STATEMENTS

Procedural – Order of Statements

2640 **The Bailiff:** Well, Members of the States, the first item on your Agenda is one that I am going to ask for your indulgence with because, as Deputy Ferbrache announced, he has business outside of this Chamber at the moment and he has been given permission to deliver a statement on Brexit. So, I am going to invite you to agree that we re-order that by simply pushing it to the end of the list of Statements and we will just tackle the general update statements one by one, as we go. Those
2645 in favour; those against.

Members voted Pour.

The Bailiff: I declare that carried.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**Employment & Social Security Committee –
General Update**

The Bailiff: So the first general update statement, not that he has been idle so far, is from the Committee *for* Employment & Social Security, Deputy Roffey, and I invite Deputy Roffey to deliver that general update statement on behalf of the Committee.

2650

Deputy Roffey: Thank you, sir.

I apologise if people are tired of the sound of my voice. But I am delighted to deliver my first general update statement as president of ESS. Time constraints mean I will only be able to touch on a few elements of the Committee's vast mandate.

2655

Firstly, ESS is committed to improving social housing and pursuing solutions to Guernsey's affordable housing needs. I am pleased that this seems to have the full backing of both P&R and the wider Assembly. If we all see through on this commitment then we can start to make a real difference during the next few years.

2660

This will involve a wide range of measures, from revitalising social housing estates, increasing Guernsey's social housing stock and providing more opportunities for first-time buyers to get on the property ladder. ESS also continues to work on a housing strategy for key workers as well as on the Youth Housing Project, to protect young people deemed at risk of becoming homeless.

2665

Work is being done to collect and apply data about Guernsey's exact housing requirements. Because we know there is a demand not only for more accommodation but also for different types of accommodation and we do want to ensure that people's needs are met appropriately. Key to all of this work is securing the land on which to develop affordable housing and to avoid any further increases in the waiting lists for that affordable housing.

2670

Moving on to Secondary Pensions. The previous Assembly overwhelmingly passed the detailed proposals for the establishment of Your Island Pension. This followed approval, in principle, by the Assembly before last, back in 2015. It has been a long road and now we must turn the concept into reality as soon as possible.

2675

The scheme will help Islanders to support themselves in later life and enjoy a more comfortable retirement. Of course, it will also reduce reliance on Income Support. So ensuring that the scheme is implemented in 2022, as scheduled remains a top priority for my Committee. The drafting of the legislation for approval by this Assembly next year is now key. As indeed is the appointment of a governing body to oversee the Your Island Pension scheme under a statutory trust. We will also be returning to the States early next year regarding the requirement for employers to auto-enrol their employees into the scheme.

2680

Members, I cannot stress strongly enough the overwhelming and urgent need to make both the Guernsey Insurance and Long-term Care Insurance Funds sustainable. Allowing them to become completely depleted is unthinkable. It would represent a complete abandonment of this Assembly's long tradition of financial prudence.

2685

The latest five-yearly actuarial reviews of both funds are presently being finalised and will be laid before the States as appendices very soon. Those reviews will, I am afraid, confirm what ESS has been repeatedly reporting to the States for more than a decade now – that the current contribution rates are not sufficient to keep the funds solvent and to pay the required benefits.

2690

We, the States, have been constantly avoiding dealing with this issue, always finding a reason not to address it. Back in 2009, a major public engagement and policy piece was undertaken under the banner of The Pension Puzzle. My predecessor, Deputy Mark Dorey, put forward at that time a package of proposals for sustainability.

An increase in pension age was approved back then with a 10-year notice period, just coming into action now. But a proposal for an increase in the employers' contribution rate was rejected. Allegedly it was too soon after the financial crisis, and too soon after zero-10 and we were hoping

2695 to grow our way out of the loss of company tax that policy had entailed. Over the last five years or so, the reasons given for postponement have moved on to looking at things in the round, as part of the review of taxation and benefits or later on as part of the fiscal strategy or whatever.

I am sorry to say that when the actuarial reviews are published, we will see the consequences of burying our heads in the sand on this one. The results of the actuarial review of the Guernsey Insurance Fund are particularly alarming. The Government Actuary has calculated that if nothing is done it will be exhausted by 2039 – that is less than 20 years from now. That is the fund ... I am not allowed to go off-script, am I sir, I have submitted it. So I will stick to it but I might be able to answer questions!

2705 Moving on to the long-term care scheme. In August this year, the previous States agreed to approve increases in long-term care benefit rates, but also at the same time to decline to investigate a deferred property loans scheme. The outcome of that debate must be respected but a key challenge for my Committee in this political term is to work with P&R and to find new ways to ensure the sustainability of the Fund.

2710 I can tell members that if the current rates of contribution are maintained, the Government Actuary has projected that the balance in the Long-Term Care Fund will also fall to zero, this time in 2053. And that is before taking into account the decision in principle, taken by this Assembly just a few months ago, to use the Fund for care delivered in the home.

2715 The Government Actuary calculates that the contribution rate needs to increase by 1% – not 1% of what it is now, 1% of earnings – to make the Fund sustainable in the long-term if this policy change is pursued. Even if it is not pursued, the contribution rate will need to increase by approximately 0.4%.

These matters need addressing, and quickly. Even if a solution for the Guernsey Insurance Fund is applied gradually, maybe over the next five years, or even longer, we do need to identify that solution now and at least to start its implementation.

2720 Mr Bailiff, my Committee is very eager to work on all of these matters with Policy & Resources as part of the Review of Taxation and the Fiscal Framework. Entitlement to long-term care is currently residence-based. Everyone who has lived in Guernsey for five years is entitled to the full benefit. As I mentioned in my pitch for the Presidency of ESS, I would at least like to look at whether this could instead be changed to a contributory footing. Alternatively it could be based on a more rigorous set of residential qualifications. Some initial investigations into this have commenced and we will keep the States posted on that work.

2730 Now, finally, turning now to my Committee's very top priority: the Disability, Equality and Inclusion Strategy. That strategy is broad in scope, and much work has been done to promote awareness-raising, facilitate disability awareness training, review the accessibility of key locations around the Island, and begin initial preparations for a prejudice and discrimination survey. We are also pleased to work alongside the Committee for Health & Social Care to develop adult safeguarding measures and frameworks for people with learning disabilities and for those with speech, language, and communication needs.

2735 But, of course, sitting at the very heart of the Disability, Equality and Inclusion Strategy is the new anti-discrimination legislation. The States made a landmark decision in August of this year, giving overwhelming – indeed unanimous – approval for the drafting of legislation to protect people from discrimination on the grounds of disability, carer status, and race.

In fact, the States went even further than the original ESS proposals by agreeing to broaden the scope of the work stream to include sexual orientation and religious belief in this first phase of anti-discrimination measures.

2740 A targeted consultation on these additional grounds has been undertaken, with a range of responses received from local groups. These will very much help inform a new policy letter to be brought to this Assembly by my Committee early next year. As to the Law itself I am delighted to report that St James' Chambers has confirmed that just so long as the new Policy & Resources Committee retains this legislation as a top drafting priority – just as their predecessors did – then the Law indeed can be up and running by 2022, as originally planned.

2745

The Bailiff: Thank you very much.

Members, now there is an opportunity to pose questions to the President on any matter within the mandate of the Committee. Deputy Inder.

2750 **Deputy Inder:** Thank you for Deputy Roffey for the update. I am intrigued, given the parlous state that we find ourselves in and accepting not all savings can come out of the organisation, I think it is fairly well understood that ESS's IT system is not in a great place and I am wondering if there is a project to change that and what the likely costs are and what efficiencies his Committee are looking at to find whether any organisational savings can be made and efficiencies alongside IT. In short, is the Committee looking at any organisational savings, including staff?
2755

The Bailiff: Deputy Roffey to answer that final summary question, please.

2760 **Deputy Roffey:** Indeed we are, sir. We put great store by the ability to move many of our services online and to allow claimants, for instance, to be able to interact with us digitally. We will never remove, because some of the clients we deal with would not find that easy, the ability for personal contact.

2765 But actually most people, if they were claiming for instance, they wanted to bring in a sick note or wanted to claim for Income Support would much prefer, rather than trooping to Edward T. Wheadon House and meet face to face, to be able to do it online, and that should in time, through natural wastage – I hope it is through natural wastage and we have some staff on short-term contracts already – should allow efficiency savings. We are dependent on those IT platforms. They are not entirely in our control. That makes us nervous but we must keep the faith and be hopeful that we will be able to deliver in that way.
2770

The Bailiff: Deputy Dudley-Owen.

2775 **Deputy Dudley-Owen:** Thank you and thank you to the President of the Employment & Social Security Committee for the update. It was very interesting and I note the work being done on the discrimination legislation, clearly being pushed forward with some haste. But I would like to understand whether there is any work being done on the impact of the discrimination legislation.

2780 It was an amendment that myself and Deputy Ferbrache were put in a rather difficult position over and again miscast last term about our intentions regarding that. It is a very important piece of work, on the impact of the legislation, is undertaken so businesses and the States of Guernsey, indeed, know what is coming down the tracks at them.

The Bailiff: Deputy Roffey.

2785 **Deputy Roffey:** The first thing I have to say it is not being pushed through with particular haste, it is being pushed through with exactly the timetable that was approved in the policy letter and I am glad that it is staying on schedule. It depends what you mean by impact, of course. First of all, we have had the grounds for discrimination extended. We have not yet decided what the exemptions are going to be on that. Obviously, there is the impact on the States so it may be easier, not easy to assess, but assessable for us. We do not have access to be what the impact will be on every employer in the Island.
2790

2795 We do not know the degree of discrimination that is going on. The more discrimination there is, the more impact there will be, because it will be doing its job. So I do not have figures about this many millions' impact. I will take the question back and what sensible reply we can give we will provide to Deputy Dudley-Owen.

The Bailiff: Deputy St Pier.

2800 **Deputy St Pier:** Sir, Deputy Roffey mentioned social housing. Would the President be supportive of the transfer of the States' housing portfolio to the GHA or another housing association, which of course was envisaged a number of years ago but of course has never been acted upon? Would he be supportive of that?

The Bailiff: Deputy Roffey.

2805 **Deputy Roffey:** Not necessarily so. I have certainly no philosophical objection to it. It was me that first pushed and pushed strongly the then Housing Authority to establish a housing association in the Island. But interestingly this ties up a bit with the loss of rent rebate and with Income Support. We will now subsidise through Income Support people's ability to pay their rent wherever they are living. But if it is a housing association, whether it is the Guernsey Housing Association or a new one, the rental flow will go to them.

2810 We are currently getting more than £20 million a year, so I think it needs a cold, hard calculation on whether the States and the taxpayer will be better off or worse off in actually doing that. So, I think that is a piece of work that needs to be done. I am not starting from any particular philosophical bent on it.

2815 **The Bailiff:** Deputy de Lisle.

2820 **Deputy de Lisle:** Thank you, sir. In terms of discrimination and the material, the legislation that you are to produce by 2022, could it be more all-encompassing? I mean, there are certain elements that seem to be left out until later but it seems to me that that would be 2023/2024. It is a long time hence. Can you not wrap the whole thing up within that particular time schedule?

The Bailiff: Deputy Roffey.

2825 **Deputy Roffey:** The genesis of this whole thing is that it was going to be particularly in relation to discrimination and I think, as a result, one of the reasons that people with disabilities have been waiting for so long for this, partly because of lack of prioritisation in this Assembly, but then it got widened out to look at lots of other grounds.

2830 So, if we try to bring forward all the other grounds that are part of phase two, like age discrimination, which I feel passionately about but which is a complex issue, with quite a few working out what the exemptions should be and how that should work, will require policy debates both in my Committee and this Chamber. I think it would delay things unnecessarily.

2835 We have broadened it out thanks to the Parkinson amendment to, quite rightly, include discrimination on the basis of religious opinion and maybe it might be broadened to philosophical opinion, worth considering that, and sexual orientation. I would love to do everything but Rome was not built in a day and I am worried that we are not going to build anything for several years if we do not crack on with the first phase, as approved by the States.

The Bailiff: Deputy Kasantseva-Miller.

2840 **Deputy Kasantseva-Miller:** Thank you, sir.

2845 Thank you for this update. From the perspective of employment, I am constantly aware of the many thousands of self-employed people on the Island who face the issue of how we first classify who is self-employed, who is not, and how our revenue collection is different from the benefits, their cycles are different, the systems of collection are different.

As self-employed you have to provide an expectation of your income for the future years and so on. It is basically for, specifically, self-employed people, which I believe we have about 3,000-plus, quite a significant proportion of the population, it is an extremely archaic system and is

2850 effectively potentially can be considered significant red tape for small businesses and self-employed.

We have obviously had a little bit of an exchange with officers and from an economic perspective I would like to ask that we are kept more abreast of the developments of the IT systems and the policy changes that might arise. So, I would like to ask whether that would be possible and that we work much closer together with Economic Development?

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The Bailiff: Deputy Roffey to reply, please.

2860 **Deputy Roffey:** I am worried about over-promising, I completely agree with the thrust of the question. That is something that should be done. Basically we want self-employed people to be going out and doing what they do and not spending all of their time up in administration. The whole system is now being amalgamated between Social Security and tax for the taking of contributions. It is also subject to new IT solutions and I think if I gave a really firm, commitment of any particular dates when, each stage is going to be reached, I have seen the correspondence between the Deputy and some of the officers in charge of this and I am on her side, is all I can say, 2865 but I cannot say it will be done by a particular date.

The Bailiff: Deputy Oliver.

2870 **Deputy Oliver:** Thank you, sir. During the election, I had somebody phone me up and they were quite concerned because their 16-year-old child wanted to go out and get a small job, yet he was told by his parents that he actually could not because if he did it would interfere with their Income Support. Is there anything that ESS can do about that to actually allow children, youngsters to go out and work and not actually affect the main income of the household?

2875 **The Bailiff:** Deputy Roffey.

2880 **Deputy Roffey:** One of the big bits of work that we have got to do, one of the many, is looking again at what is called the earnings disregard. For instance, we would like some pensioners, even though they have not got a work requirement under Income Support, choose to work anyway and we would like to really reward that. Reward sounds patronising but you know what I mean. Give a lot of help with that. I had not really thought about the question of Saturday jobs impacting on family income but, as a part of that bit of work, then I am happy that we should take a look at that.

2885 **The Bailiff:** Deputy Inder.

2890 **Deputy Inder:** Thank you, sir. I do not want to misquote Deputy Roffey but I believe he said he did not know the extent of the issues revolving around disability and inclusion until the Law was in place. I can give him a bit of a hint because the Citizens Advice Citizens' Manifesto sent to all Deputies mentioned their four priorities were: insolvency, lasting power of attorney, rental deposits and consumer protection. No mention at all of the Disability and Inclusion Strategy.

Upon reflection, and I am pretty sure I know what the answer is going to be, given the likely cost of it, given the parlous state this Island is in, would his Committee give some consideration to rolling out the Jersey model, which is more likely to be more efficient and easier and possibly even cheaper.

2895 **The Bailiff:** Deputy Roffey.

2900 **Deputy Roffey:** I do not see that it would be cheaper. It would give no protection on carer status because the Jersey Law has no protection on carer status. But also I thought this Assembly elected on not flip-flopping. I know there are new Members of this Assembly, but half of us are old Members and we voted unanimously, in just August this year, to go ahead with the legislation on this basis.

It would be a most extraordinary and expensive back flip and we have just passed, in the Budget, a sum of money for enabling works to introduce exactly what we voted for in August. So no, I do not think that would be a sensible idea.

2905 **The Bailiff:** Deputy Helyar.

Deputy Helyar: Sir, I just wish to declare a conflict. I was not aware that Deputy Inder was going to raise Citizens' Advice, but I am the chairman so I was involved with the creation of that document.

2910 **The Bailiff:** You do not need to declare any conflicts or interests during the questions on statements, it is only in debate. Deputy St Pier.

Deputy St Pier: Thank you, sir.

2915 Again, in his statement, Deputy Roffey mentioned the actuarial review. Would the President agree that, although far from a total solution, investing the insurance funds in accordance with the same investment objectives as P&R, would, based on more than a decade of historic experience, improve the investment performance of those investment and insurance funds?

The Bailiff: Deputy Roffey.

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Deputy Roffey: Over the last decade it certainly would have done. There have been times in the history where the absolute opposite has been true. But I can say that my Committee do not regard themselves as experts in investment or in fund management and we are very happy to put our fund alongside the central fund for investment by the experts in the centre. That is what I understand is likely to happen but that fund will have watertight bulkheads between it and the other funds. People paying into Social Security will not have that money spent on sweeping the roads or anything else. That is there for the purpose of the funds.

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The Bailiff: Deputy Oliver.

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Deputy Oliver: Thank you, sir.

Because of Covid we have seen quite a few small businesses actually not be able to survive and, excuse me, I do not know your priority list or anything but one thing that does concern me is the amount of redundancies that we could potentially see and in Guernsey we have no redundancy law. Is that something that ESS is going to look at?

2935

The Bailiff: Deputy Roffey.

Deputy Roffey: It is certainly on the list for us to consider in our priority meeting on Friday, if we are able to meet on Friday, and maybe we should take, having been urged to copy Jersey by Deputy Inder, maybe we should take a look at their legislation on redundancy. I do feel uncomfortable, I do not want to put a burden on business, of course I do not, but I do feel uncomfortable when a pan-Channel Island business makes redundancies they are obliged to pay statutory redundancy payments to Jersey, where as they have no such requirement in Guernsey. It feels very wrong to me.

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The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, in the Budget debate, Deputy Helyar raised the prospect of looking at the States' old age pension as one of the challenges for us. Does Deputy Roffey agree that there would be some significant challenges around that in relation to public expectations of what they have contributed to and their entitlement to it, based on the 2015 tax review and the feedback from that

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and the legislative changes that would be required? Those are two significant barriers to that particular issue if Deputy Helyar wants to pursue that.

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Deputy Roffey: As I understood Deputy Helyar, he was saying that people would carry on paying contributions but would not necessarily get their pension. Actually, the pension is not paid automatically. You have to make a claim for your pension and I think you have to do it within three months of when you retire, or you lose the first part of it. So I would invite anybody in Guernsey who is civically minded and feels they do not need the state pension and wants to help leave more money in the fund to help people who need it more, simply not to make that claim.

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The Bailiff: Deputy St Pier.

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Deputy St Pier: Does Deputy Roffey know how many people do not make that claim that are entitled to it?

The Bailiff: Deputy Roffey, do you know?

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Deputy Roffey: I have not got an exact number but I suspect it is pretty vanishingly small. I think the trouble is with contributory schemes, there are very few Deputy Helyars in this Island I suspect. But I might be surprised so I am quite happy to do an exercise to see if there are people who would like to be philanthropic, in a way, by not taking their pension. That would be an interesting exercise. Hands up, anybody here, I suppose I could ask.

2975

The Bailiff: If there are no further questions to the President ... oh, Deputy Taylor.

2980

Deputy Taylor: Only a little one that was picked up in the speech. The talk on social housing and first-time buyer housing in particular is one that came up quite a lot in the election and something I never got my head around is what defines a first-time buyer. Obviously, I am a first-time buyer but my needs would be considerably different to they were as a first-time buyer 10 years ago. Can you give any update on what that mean for first-time buyers?

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The Bailiff: I am not sure when the President of E&I is due to make her first update but I will say at the next update statement but, strangely enough, social housing and affordable housing is under my mandate, more general housing policy is there. But as a former Member of the Housing Committee I can tell you it is really tricky. What happens if people get married, they buy a house, 18 months later it all goes pear-shaped they have to sell the property, they still feel like first-time buyers, but they are technically not, in their next relationship. I think it is just one of those shorthands for somebody who has not really got a lot of equity, that has not really built up equity by getting on the property ladder but I do not think there is a real firm definition.

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The Bailiff: No one else is rising.

COMMITTEE FOR HEALTH & SOCIAL CARE

**Committee for Health & Social Care –
General Update**

2995 **The Bailiff:** Therefore, we will move to the next general update statement, which is from the President of the Committee *for* Health & Social Care, so I will invite Deputy Brouard to deliver that statement please.

Deputy Brouard: Thank you, sir.

3000 Before I get into the meat of my statement I would just like to thank all States' Members for the support you have given me since taking the role. I may not have time at the end of the speech so I thought I would do it now. My special thanks to the very able four Members who have joined me on HSC, and congratulations to Alderney Rep. Snowdon who endured an Alderney election – and then a plebiscite – just to get back on HSC!

3005 I am delighted to be providing my first statement today as the President of the Committee *for* Health & Social Care. In 2011 when the States debated the then HSSD's 2020 Vision, no one could have imagined just how significant 2020 would be for health and care providers across the world. We have reached an important milestone today with the first Covid vaccines administered locally happening tomorrow, having been designated by the Committee last week for use in the Bailiwick.

3010 But we cannot be complacent. The threat of Covid is not over, not only do we have a complex vaccination programme to co-ordinate and deliver but we continue to remain vulnerable to the risks presented by the virus itself which is why the dedicated Medical Cell continues to work to ensure preparedness in the hospital and across the community.

3015 Covid-19 is the biggest challenge the health and care system has faced in living memory. It has also shown the system at its best; the dedication and skill of staff, the flexibility of providers to work beyond traditional organisational boundaries and the ability for the whole Island to come together to protect our health and wellbeing. But it has also illustrated why new ways of working adopted since March need to become not a 'new normal' but 'the normal'.

3020 When elected President, I made it clear that health is a cross-Committee responsibility. For too long we have spoken of health in all policies, of all Committees taking steps to reduce health inequities, but, really it is only as a result of Covid that health has really now been pushed up the agendas and we cannot let that slip.

3025 One of the first decisions taken by our Committee was to endorse the policy principles underlining the Partnership of Purpose, rather than reviewing this. This will save at least a year of time. We consider this direction of travel is even more important in the context of our recovery from Covid-19. It is essential that we work together across Government, across the Islands, to reshape the Bailiwick's approach to health and care in a way which allows islanders fair access to solutions that meet their health and care needs.

3030 We are determined to build on the momentum of the last term to deliver this change. Of course, we need to review priorities in light of Covid to ensure that, not only are we able to concentrate resources to address the backlogs which have arisen during the pandemic in some specialisms and ensuring that we remain prepared for any future waves of the virus, but in a way that we can also support the greatest possible improvements in health and care for everyone, well beyond the immediate crisis.

3035 A key to this is upgrading the hospital site through our hospital modernisation which is the second multi-million pound decision made to press ahead and not revisit. Action this day, I believe. Since proposals were approved by the Assembly in March 2019, consultation with the clinical teams across HSC, and the MSG and external specialist design team has allowed staff to develop what is considered the optimal plan for the phased development of the hospital site.

3040 This will see, in Phase 1, the development of the Critical Care Unit into a larger, more flexible unit, and a refurbished Post-Surgery Care Unit, again providing increased capacity as well as the

flexibility to provide additional critical care beds if needed. Phase 1 will also include new storage and change facilities for theatre and enabling infrastructure works. This is a change in sequence from the initial scope for Phase 1 presented to the previous Assembly but remains within the funding allocated for this phase. I am pleased that the planning application for Phase 1 has been approved with building work on track to start next year.

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While Phase 1 could stand alone as an individual upgrade to the hospital, the full benefits of the modernisation of the site depends on the progression of Phase 2 – which will incorporate among other areas, paediatrics, maternity, theatres, day and private patients – and Phase 3, which would see developments to the Emergency Department, Fracture Clinic and Orthopaedic Unit. The Committee intends to report to the Assembly within 2021 as phases 2 and 3 are still to be agreed and they need to align with yourselves and the consideration of the 2021-2024 Capital Portfolio.

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Work is also ongoing on our e-health record project with a preferred bidder due to be selected early next year. An agreement has been reached with the current supplier to ensure continuity during the implementation phase of a new system. Work also continues on our community services with a dedicated Community Care Joint Working Group in place to facilitate collaborative working and remedial work completed at the Castel Hospital site. And also plans progressing for a Children & Family Services Hub.

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HSC is, of course, a broad mandate and neither I nor my Committee can have all the answers today. We are learning and we are listening. We know that we have some difficult decisions ahead of us, how to make primary care more affordable, how to best support those children in our care and how to make the most of the reform of health care funding approved by the Assembly last term but we are determined to make real and tangible progress this term.

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We will be returning to the Assembly next year with policy Letters on the Children Law, on a Combined Substance Use Strategy and on primary care. We want to move forward with the development of a Mental Health and Wellbeing Centre as quickly as possible and there is a mature programme of cost and service improvements, designed to optimise services, save money and improve patient outcomes.

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Later this week, we will be issuing information to all States members on the role of corporate parents – one of the important roles that we have been entrusted with as States' members – and I hope in the new year to invite all members to a presentation on the Hospital Modernisation Programme and a tour of our services in general.

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Sir, it is difficult in just 10 minutes to do justice to a mandate as broad and as complex as HSC. I am happy to answer, or take away, any questions. Please this is not your only access to information, our door is always open it's your health and care service. Thank you to those who have answered our election issue question on health which we are collating. And I wish you and your family a merry Christmas and a healthy new year. Thank you.

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The Bailiff: Members of the States, this is an opportunity to pose questions to the Committee for Health & Social Care on any matter within the mandate of that Committee. Deputy Gabriel.

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Deputy Gabriel: Thank you, sir. I thank you for the update, Deputy Brouard. What about the people that deliver these fundamental services? If Members cast their minds back to January this year, we were at march in the streets with the healthcare staff practically waving pitchforks and wanting some sort of intervention in their pay scales.

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I was disappointed to hear that there has been nothing mentioned in your update. I am just wondering if you could update the Chamber of what the Department's plans are for the wonderful healthcare staff that have, again, working above and beyond the call of duty helping us with Covid-19 and what their long-term plans are for any review of their pay scales. Thank you.

3090

The Bailiff: It is a very valid question, Deputy Gabriel, but sadly it is within the mandate of P&R to deal with staff, rather than the Committee for Health & Social Care, so Deputy Brouard is not required to answer that question. Deputy Taylor.

Deputy Taylor: Will the Committee put any pressure on P&R to review their wages, mentioned by Deputy Gabriel's question?

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The Bailiff: That is a slightly better question, so Deputy Brouard.

Deputy Brouard: Thank you, sir. Of course we are in liaison with P&R on nurses' pay and pay for all our staff because it is a jigsaw. We need all the pieces to fit into place and there are many other workers who are also critical to us providing the service on a day-to-day basis, 24/7. The nurses' pay has been singled out by the previous P&R Committee and it was increased if you look at the figures that were provided. I think I saw some document recently.

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They were one of the ones that was increased, mostly over the last few years, compared to other of our staff in other of our departments and Deputy Gabriel is absolutely right that they are a real key part of our service and we very much want to have them to have the right pay for the job. But as the Presiding Officer said, that falls really, mainly, in the mandate of P&R. Thank you.

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The Bailiff: Deputy Gollop.

Deputy Gollop: One issue that has been, certainly, highlighted a lot in the last two or three years but also during the election campaign has been the perception and the need for Health & Social Care to review and enhance mental health services. What is the outline, both in terms of public education but also in terms of adding resources, both therapeutic and medical, to the model?

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The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, I thank Deputy Gollop for that question. He almost sounds as though he was listening in at our meetings because mental health has been one of the issues that we have been looking at ourselves, just to understand exactly what our pathways are, where the services are at the moment, where the gaps are in that particular service.

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The work is ongoing. I wish I could give him a more concrete answer at this time and it was certainly one that was raised as one of the issues from the Deputy surveys and the candidate surveys. Mental health was a particular issue. I think, from some of the information that I have received already is that one has to also look at the different parts of mental health. There is mental wellbeing, which is a complete spectrum of how you feel each day, and there is mental illness, which is almost a complete issue in its own right.

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Unfortunately, a lot of the time, we get confused between the two, and mix both of them up. But we are very much working towards getting a clearer pathway for people, with regard to mental health and hopefully there will be something very soon. Thank you.

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The Bailiff: Deputy Oliver.

Deputy Oliver: Thank you, sir.

Just continuing on that same line, would Health & Social Care look to almost, with mental health, if you are anorexic and you go in and you stand on some scales and they say, 'actually, no, you are not light enough to qualify for help,' will that be something that we look at? Because I just think that if somebody has come in, brave enough to say, 'actually I have got a problem,' they stand on some scales and then they do not reach the right BMI I just think that is actually wrong and that should be fixed.

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The Bailiff: Deputy Brouard, are you able to answer that question?

Deputy Brouard: No!

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3145 **The Bailiff:** Would you like to take it away before going to give an answer?

Deputy Brouard: I will give an answer if that is okay sir. This is just one of the difficulties with mental health and also where you need to go for the pathways to get the information that you need. Hopefully if you go to your GP they will be able to advise you in the first instance. There are also some third party sectors who also give mental health advice.

3150 I will just go through the A's. Action for Children; Alcoholics Anonymous, Alzheimer's Society, Breaking Free Group, Bright Beginnings. There are many who are all involved and touch on mental health but that is more of a technical question for the professionals, rather than from me as a politician, but I do understand what you are trying to say. Thank you.

3155 **The Bailiff:** Deputy Aldwell.

Deputy Aldwell: Thank you, sir.
I just wanted to find out please, during 2018, there was a full review of the adult disability. We were promised a report in 2019 but I have yet to see it. So I wondered if there was an update on that. Thank you.

The Bailiff: Deputy Brouard.

3165 **Deputy Brouard:** Thank you. I have got no more information from that but if you would like to send me an email on that later, with exactly what you are looking for, I will certainly make the inquiries and see where that report is. So, thank you.

The Bailiff: Deputy Le Tissier.

3170 **Deputy Le Tissier:** Thank you, sir. I would just like to ask Deputy Brouard, first of all to congratulate him on getting the vaccination programme going shortly. But my question is, is he concerned about local anti-vaxxers and is his Committee doing anything to counter them? Because I can say there are several, or quite a few on social media. Thank you.

3175 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you. You make a very fair point, Deputy Le Tissier. We are aware of it and we are basically making sure that we put out the most public message that, for everyone who feels that they wish to have the vaccine, they should be able to do so. We are also looking at our media coms with regard to it. There will be some more media coming out tomorrow, when the first person is vaccinated in the hospital.

3180 It is for everyone and, as we stressed at the CCA meeting last Friday, it is for everyone to do their own research but go to reputable sites, speak to your GP, speak to your physicians, speak to professionals if you need advice but we would certainly, as Health & Social Care, would basically encourage everyone to take the vaccine who is offered it.

The Bailiff: Deputy Inder.

3190 **Deputy Inder:** Sir. Thank you for the update, Deputy Brouard. I just wondered, just thinking about the travel industry now as we move forward and everyone has been vaccinated, is there any thinking within Health & Social Care whether, having had a vaccine, going through both of the first day and 21st day, is it going to look anything like a travel passport to allow people to come in and out of the Island?

3195 **The Bailiff:** Deputy Brouard, are you in a position to answer that question at this stage?

Deputy Brouard: Yes sir.

The Bailiff: Good, then answer it, please.

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Deputy Brouard: The difficulty is at the moment is we have not got only ourselves but also the UK and the MHRA in the UK, they have not got enough data to know whether or not having the vaccine and having the two injections will make you able to transmit the disease. The idea of the vaccine is that it will help prevent you having a serious illness if you get Covid but it does not necessarily and they do not know yet, the data has not come in yet, whether or not you are still infectious to other people.

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So you may be fairly well protected to not get the disease in a serious state, but you may still be able to pass it onto someone else. Until that research is done, we are not in a position to start issuing some sort of immunity passport. However, all records will be kept of people having the vaccine and there will be an intention, at some stage, we believe, to have some sort of card, a bit like you would have for yellow fever, to say that you have had the injection, in due course.

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The Bailiff: Deputy St Pier.

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Deputy St Pier: Sir, returning the question of mental health services, accepting that there is a distinction between mental wellbeing and mental health, and individual's sense of when they are in crisis may not be the same as a clinician's, does Deputy Brouard happen to know, and I suspect he may not, the waiting list for therapists for those seeking therapy? If perhaps he does not would he undertake to obtain that information?

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The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you. I happen not to know but I will certainly find out that information. That will be part of all of our jigsaw. We have had already quite a detailed briefing from Dr Brink on the mental health services, we have got maps of all the different flows of where people come. It is quite complex and certainly the Committee is committed to try and get a clearer picture of exactly what we have and pathways for people to access. I will give an undertaking to get that information. Thank you.

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The Bailiff: Deputy Inder.

Deputy Inder: Sir, building on my last question, I am just intrigued with Deputy Brouard's response, whether he could confirm, or maybe he just has not thought about it yet and I accept that it is early days, whether Guernsey could cut its own path with any of the information that was given and decide its own place on the risk register to allow the tourist industry at least to start looking like a tourist industry, potentially before the UK makes a bolder decision on travel.

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The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you. I think this is probably straying outside of my health mandate and probably one more for the CCA and P&R. But I think what has worked really well for Guernsey has been that we looked at the evidence as it has come in and taken that on board and taken professional advice and I think until that changes I think that will be the game-changer. Also, when more advice comes in as to whether or not being inoculated makes you unable to transmit the disease. That would be another game-changer.

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The Bailiff: Deputy Gollop.

3250 **Deputy Gollop:** Thank you very much. I appreciate Deputy Brouard might not be in a position to answer this at this stage, but has the new Committee already begun thinking about community partnership hubs and integrating work with the excellent work of the Medical Specialist Group and what was an issue in the last term of their apparent search for new viable premises?

3255 **The Bailiff:** Deputy Brouard.

3260 **Deputy Brouard:** I am not too sure what the question is in there but if it is whether or not we are talking to the MSG at this stage, that is certainly on our cards and I have had an unofficial chat with the people there who wish to come and talk to us. So that is definitely something we will be taking forward in the New Year. Of course, the MSG is one of the key elements of our health and care service. So thank you.

The Bailiff: Deputy Oliver.

3265 **Deputy Oliver:** Thank you, sir. I was very pleased to actually see that MSG had managed to employ a paediatric to diagnose autism. But one thing that I was thinking, and talking of savings and everything, is when they are not providing their service, do we actually get a reduction? Because we currently pay them to actually do a service but they are not doing it. Do we actually get a reduction in what we pay?

3270 **The Bailiff:** Deputy Brouard.

3275 **Deputy Brouard:** We pay on the consultants that they have, as I understand it, under the contract, and as the consultant is not in position until early next year we are not paying at the moment and when that consultant comes on stream, we will then pay in accordance with the contract, is how I understand it. So yes, thank you for that.

The Bailiff: Deputy Kasantseva-Miller.

3280 **Deputy Kasantseva-Miller:** Thank you, sir. Healthcare is obviously our highest budget and looking at the general trends in health and wellbeing looking at the proliferation of mental health and wellbeing illnesses, regenerative illnesses and so on, and Covid, coronavirus and other viruses, I wonder whether we are perhaps not doing enough at the early stages, at the preventative stages of designing societies and systems and transfer strategies and substance used to prevent actually the proliferation of all the diseases and ill-health. My question is are we doing enough at that early stage of prevention and whether a more radical and re-thinking approach is actually required? Thank you.

The Bailiff: Deputy Brouard.

3290 **Deputy Brouard:** You raise a very fundamental point and I can probably say, just from my own point of view, being here for quite a few years, probably, not. We are not doing enough at the early stages. The difficulty is, and you will find, trying to move budget from later stages, when people actually need the care, to a stage earlier to somebody else who needs some help to give up smoking, have a healthier lifestyle, is quite a difficult twist. Although smaller monies early will have a long term benefit later on.

3295 Most of the Partnership of Purpose is looking at part of that to have better lifestyle all the way through so that you do not need the services later on to such an extent but it is quite a difficult budget to move from one to the other because people who are presenting with a particular issue wish it to be sorted there and then. You telling them that, by the way, 50 years ago you should have

3300 done this better, does not go down particularly well at that point. You are absolutely right and it is something we are very conscious of.

The Bailiff: Deputy St Pier.

3305 **Deputy St Pier:** Sir, once again with mental health. I understand that the customer care complaints process can be quite a complicated one and one of the issues is actually referring somebody who is in crisis, or thinks they are in crisis, it may be quite a barrier for them to enter that whole process. Again, would Deputy Brouard perhaps consider adding that to the list of the Committee's considerations, as they are looking at this whole area, thinking about the
3310 appropriateness of the complaints process and customer care process for those cases in particular?

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you. Deputy St Pier, I have no problem in issuing that. I have been
3315 keeping a log myself of all the phones calls, emails coming in, checking the times that it takes to get the through customer care, what responses we are getting. So, absolutely. Do I think some improvements can be made? I think they can, certainly on the reporting side, and my vice-president and the rest of the team, we are very conscious of this particular issue and we are literally monitoring on a week to week basis.

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The Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, sir. Orthopaedics were mentioned long-term but what is being
3325 done to accelerate the backlog of orthopaedic operations currently?

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The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir. We were behind in orthopaedics before the Covid even struck. So we were unfortunately on the back foot before we had the Covid issue. Around the summer we
3330 had about 1,400 issues of surgery, which needed to come through. We have actually held that since the summer, since we have been able to come out of lockdown, and we are holding it at about 1,400.

We are getting through, or doing or completing, around 700 operations a month. We are looking at ways to increase that by looking at how we can manage the theatres better, but it is a problem
3335 and the difficulty we have is some of the places that we would normally refer people to, our normal places to go to, Southampton, the UK *etc.*, their position is far worse than ours. Their Covid position is now that they would not even be able to take us in anyway.

Deputy de Lisle raises one of the issues and something that I mentioned earlier is that part of our savings has been that we have not been able to send people away to the UK to be treated.
3340 However, we will still need to do that at some stage. I will take, I am saying, more than months to reduce this backlog and we are trying to triage the people who need that service as best as we can.

One of the issues is we can make some improvements in phase one of the hospital improvements to try and get better facilities through –

The Bailiff: Deputy Brouard, I am afraid your time is up. That has brought an abrupt end to
3345 those questions then! Thank you very much.

OVERSEAS AID & DEVELOPMENT COMMISSION

**Overseas Aid & Development Commission –
General Update**

The Bailiff: We will now move to the third and final of the general update statements, which is from the President of the Overseas Aid & Development Commission, Deputy Blin.

3350 **Deputy Blin:** Thank you, sir.

This year celebrated 40 Years of Guernsey Overseas Aid. The Commission's predecessor, the States Overseas Aid Committee, was founded on 27th February 1980. We should be proud of four decades of support for some of the world's poorest communities. With the Commission's ethos of a 'hand up, not a hand out', hundreds of sustainable projects have been funded and have enabled
3355 the very poorest communities in the world, with the help of many charities, to improve the provision of basic needs for their people. This includes water, sanitation, healthcare, education and agriculture.

In 2020 alone, the Commission is funding over 60 grant aid projects. It is very easy to forget what basic needs actually mean in practice. In Rwanda over 1,000 people will be provided with
3360 access to clean and safe water, as well as to allow the efficient irrigation of their crops. In Uganda 5,000 schoolgirls will be provided with washable sanitary pads to help improve their school attendance.

In Sierra Leone 300 child labourers, some of which are involved in stone-breaking for the building industry, will be provided with a school, medical post and toilets. In Bangladesh, 5,000
3365 people living on river islands will be provided with access to safe drinking water and sanitation solutions to reduce open defecation and the associated spread of diseases. On completion, many of these 60 projects will have basic signs proudly stating that they are funded by Guernsey, sometimes even with hand-drawn Guernsey flags.

Sir, of course one event of 2020 has overshadowed everything else, the Covid-19 Pandemic has spread across the world with no regard to how affluent or impoverished communities are. The pandemic has also affected the implementation of some of the Commission funded 2020 grant aid projects, although I am pleased to say that they are all still proceeding, albeit sometimes at a slower
3370 pace.

Charities have changed their working practices to adapt to specific conditions and restrictions on the ground, which like everywhere else continue to be fluid. In Guernsey, the Public Health team has encouraged us to wash our hands with soap and water as often as possible as this is the most effective way to prevent infection and the onward transmission of disease – but what about if you do not have access to soap or even clean water? Many of the communities the Commission helps simply do not have water on tap, leave alone being able to afford soap.
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Our emergency aid grants this year have also helped to ease the burden of the pandemic. This work included a grant to Rohingya refugee camps in Bangladesh to provide 20 hand-washing facilities, 1,000 hygiene kits and 100 training sessions for leaders. I am pleased to report that emergency funds have also been provided to Guernsey based charities working overseas.
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School Farms Africa distributed food and medical supplies to 200 families living in Kibera – a massive slum on the outskirts of Nairobi, Kenya, where once-limited employment was no longer available due to a strict Covid-19 curfew and movement restrictions. Goal 50 provided 200,000 meals through the 'Mother Soup' initiative to people living in the extremely poor Cape Town Flats Townships in South Africa where many had been suffering from Covid-19-linked hunger.
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Unfortunately one casualty of the Pandemic has been the Commission's new initiative to provide Multi-Year Grant Aid Awards. This programme would have seen the Commission, for the first time, fund or co-fund a small number of projects over three years to make long-term sustainable changes within developing communities. The Commission's proposed reduced budget for next year and the
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future economic uncertainties created by the pandemic has meant that this specific funding round, for projects due to commence in 2021, has had to be paused.

3395 Nevertheless, the Commission will be looking for its budget hopefully to be fully restored in 2022 to enable this initiative to proceed. You may recall that the cancellation of the multi-year grants programme and the temporary suspension of the single year grants programme for 2021 also allowed the Commission to return £1m of its 2020 budget to General Reserve to support the States' Covid-19 response.

3400 However, despite the above, 2020 has seen the launch of two new, exciting initiatives for the Commission. The first ever Guernsey International Development Network event, and investment of the Overseas Aid & Development Impact Investment Fund by the end of this year.

3405 The Guernsey International Development Network is a way of connecting people in Guernsey who have an interest in improving lives and creating opportunities for people in the poorest parts of the world, whether through charitable work, volunteering, climate action, ethical business, impact investment or Fairtrade.

In partnership with the Guernsey Fairtrade Steering Group and Guernsey for Freedom, the first event of the Network was held on 4th March and was entitled 'Good for People, Good for Our Planet: How ethical trade can help us take on the climate crisis and win'. It looked at how sustainable development can lift disadvantaged communities out of poverty and conserve and replenish the world's natural resources.

3410 This Commission was very grateful to Professor Kevin Bales, professor of contemporary slavery, for his presentation on modern day slavery and how the world's worst working practices are also linked to climate devastation in many developing countries. It was also very grateful to Albert Tucker, social entrepreneur and Chair of the Karma Cola Foundation, whose presentation explored how Fairtrade transforms lives by helping small-scale farmers to succeed in business while offering a model of ethical trade that empowers people to care for, protect and develop their communities and their environment.

3420 The Speakers were then joined by Louise Smith from Guernsey based charity, This is Epic, and our Deputy Lindsay de Sausmarez for a Q&A session on sustainable development, ethical trade and climate justice. The Commission gives its thanks to Deputy de Sausmarez and Louise Smith.

3425 The Overseas Aid & Development Impact Investment Fund was created as part of the debate on the 2019 States' Budget. The States resolved that an Overseas Aid & Development Impact Investment Fund should be established within the General Reserve with an allocation of £1 million and to delegate authority to the Policy & Resources Committee to approve investment of this Fund. Since that time, the Commission has been working closely with the Committee and its Officers on the investment objectives and areas of priority for the impacts it would like to see. The Commission wishes to thank the Policy & Resources Committee and its Officers for their work in progressing this matter.

3430 I am delighted to announce that by the end of this year the funds will be invested in Partners Group Impact Investments I, which invests in development opportunities where social and environmental impact goes hand-in-hand with market rate financial returns. The programme believes that social enterprises with both a sound business model and the ability to attract institutional capital are best positioned to generate impact at the scale necessary to make a difference. The programme has three impact missions: 1, to attract additional private capital to the impact sector; 2, to improve the lives of under-served or disadvantaged people; 3, to support growth of social enterprises, small/medium-sized businesses and other impact fund managers.

3440 The programme was established in 2016 and its 2019 annual report already shows that it has touched the lives of 3.8 million unserved individuals in 27 countries. This impact includes providing 1,600 jobs, electrifying half a million households; supporting nearly 1,000 small-hold farmers; financing the building of 385 houses, and providing healthcare services to nearly 500,000 low income individuals. The Commission very much welcomes this opportunity, which it views as complementing its established and core work.

3445 In 2021, the Commission will launch its delayed 2021 Single Year Grant Aid Award round. It will particularly look to support projects that are helping to tackle the effects of the pandemic, so principally water, sanitation and healthcare. It will also continue to consider applications for emergency aid as the need arises. Community partnerships will continue – this year we again match-funded the World Aid Walk in its 50th Anniversary Walk. We were pleased to be able to celebrate both anniversaries and highlight just how Guernsey has supported so many of the world’s poorest people for half a century.

3450 Other community partnerships include joint funding with the Guernsey based charity, The Eleanor Foundation, to rebuild a storm damaged primary school in Tanzania and the continued co-funding of overseas aid projects under the framework agreement for collaboration between the French Department of Ille-et-Vilaine and the Commission. There will also be further events for the Guernsey International Development Network and the Commission will continue to give its full support to Fairtrade.

3455 Sir, the former Bailiff Sir Richard Collas very kindly held a reception on the exact date of the 40th Anniversary of Guernsey overseas aid and was joined by States’ Members, past and present Commissioners and charity representatives, amongst others.

3460 **The Bailiff:** Deputy Blin, I am really sorry but your 10 minutes is now up, before you thank everyone else. Do any Members wish to pose questions within the mandate of the Overseas Aid & Development Commission to the President at this stage? Deputy Dudley-Owen.

3465 **Deputy Dudley-Owen:** Thank you, sir.

I am quick off my feet after our large lunch. Thank you to the President of the OADC for his update. Very interesting. Given Dr Bales’ work, which provides clear evidence of the link between modern slavery and environmental degradation, is there scope for his committee to work with Guernsey Finance and its green finance initiatives and also the States of Guernsey procurement in relation to supply chain ethics for the Island?

3470 **The Bailiff:** Deputy Blin.

3475 **Deputy Blin:** Sir, the answer would be absolutely. Already with Fairtrade partner, OADC works together, so we will be having our first meeting in January to cover those subjects. Already, given the conversations we have had, or the presentation by Guernsey Finance, when they talked about the green fund and they talk about the United Nations link, there has got to be work there we do to link up on that side as well. So I do see an importance of green finance and what we do. There is already interest from financial organisations who want to talk with us and see what can be done to help, especially given the fact of the reduction of budget.

3480 **The Bailiff:** Deputy de Sausmarez.

3485 **Deputy de Sausmarez:** Thank you, sir.

I thank the President for a really informative and interesting update. I was really glad to hear some more details about the impact investment fund and particularly glad to hear that the Overseas Aid & Development Commission has been very closely involved in setting the objectives for that. I was just wondering whether they are available for us to take a look at.

3490 More pertinently, as anyone who has ever been involved in ESG investment knows, the devil is usually in the detail of the reporting and so I was wondering whether that might be available, whether the President can maybe undertake to share the reporting of those investments with Members and possibly the public as well?

3495 **The Bailiff:** Deputy Blin to answer the various questions posed there.

3500 **Deputy Blin:** Thank you to Deputy de Sausmarez. The answer is yes, as far as in effect the mandate and everything is worked through P&R. As you mentioned, the criteria came from Overseas Aid to actually discuss all the criteria aspects. When I joined or became President of OADC, it was just in that movement between looking at the final decision, was the one with Partners Group I, which has been, I must add this, really fortuitous and well supported because normally to enter this type of social impact investment fund geared specifically towards this type of investment takes a tranche of more than £5 million plus.

3505 There was an opportunity of a secondary market to be allowed to come in at this level for a smaller amount. So there are the reports. We have the briefing I gave there was part of the report. I do have a report, which I can maybe ask the permission of the office if I can share. It is very detailed, outlining all of the different areas in the world it impacts and a little thing to add as well is that because the Overseas Aid, our focus is on the bottom quartile or tier of the poorest countries, with the impact investment fund, it does cover areas as well but still with the same criteria, of, well, the criteria we wanted to cover.

3510 **The Bailiff:** Deputy Soulsby.

3515 **Deputy Soulsby:** Yes, I just wanted to ask, given Deputy Blin was sadly cut off in his speech, whether there was anything else he would like to update the Assembly on in, say, another minute?

The Bailiff: Deputy Blin.

3520 **Deputy Blin:** Thank you, Deputy Soulsby. Actually it was nearly at the end. It was really to thank the Commissioners, because obviously this group works a little bit differently with the Commissioners, who put a lot of hard work in, very diligent individuals who are very interested and I wanted to really thank them and then, on behalf of them and myself, to wish everyone in the Assembly a very merry Christmas! Thank you.

3525 **The Bailiff:** Deputy Gollop.

3530 **Deputy Gollop:** Whilst commending this speech and also the achievements of the Commission and your political predecessor, Deputy Emilie McSwiggan, I would like to ask, given that you mention several times the work that you have done with Deputy de Sausmarez on environmental sustainability, will it be a theme of the Commission moving forward that, in supporting projects, they will look towards the ecological impact of such projects both locally and globally and not just finance a project but actually explore its greater meaning?

The Bailiff: Deputy Blin.

3535 **Deputy Blin:** Thank you Deputy Gollop. Absolutely. Just to give a small example or anecdote in the sense that when people were watching the movie, where a lot of Deputies to invited to, *Kiss the Ground*, which showed how actually a lot of the work for example in 2019, 600,000 trees were planted on behalf of the Overseas Aid, which has an effect with here we are working with our climate change policy in Guernsey. So there is a direct correlation and at the same time helping and changing lives.

3540 Going forward, yes we will continue to look at all initiatives like that and not only in the environment but in other areas as well, including art and other aspects to engage us and the rest of the world.

3545 **The Bailiff:** Deputy de Sausmarez.

3550 **Deputy de Sausmarez:** Thank you, sir. Following directly on from Deputy Gollop's question, will the President of the Overseas Aid & Development Commission agree with me that there is actually a resolution for both the OADC and E&I to work together on guidelines to tackle climate change impact with respect to the Overseas Aid & Development Commission's work, because it is a fundamental part of our climate change policy?

The Bailiff: The President to reply.

3555 **Deputy Blin:** Yes, I will concur with Deputy de Sausmarez.

3560 **The Bailiff:** As no other Member is rising to ask any questions of the Overseas Aid & Development Commission, that concludes questions on the three general update statements. Now, the next Item of Business will be the deferred statement on Brexit from the President of the Policy & Resources Committee. It can last up to 15 minutes and then there are questions thereon, thereafter.

3565 In those circumstances, I am minded to suggest that we adjourn and have that first thing tomorrow. I understand from Deputy Ferbrache that that will not impact particularly on what is going to be said one way or the other. So, in those circumstances, unless anyone proposes anything different, we will then adjourn to 9.30 a.m. please.

The Assembly adjourned at 5.23 p.m.