



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Thursday, 30th May 2013

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

Volume 2, No. 9

ISSN 2049-8284

*Published by Her Majesty's Greffier, The Royal Court House,
St Peter Port, GY1 2PB. © States of Guernsey, 2013*

Present:

Richard J. Collas, Esq., Bailiff and Presiding Officer

Law Officers

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

People's Deputies

St. Peter Port South

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

St. Peter Port North

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

St. Sampson

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

The Vale

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

The Castel

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

The West

Deputies R. A. Perrot, A. H. Brouard, A. M. Wilkie,
D. de G. De Lisle, Y. Burford, D. A. Inglis

The South-East

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

Representatives of the Island of Alderney

Alderney Representatives L. E. Jean, E. P. Arditti

The Clerk to the States of Deliberation

S. M. D. Ross, Esq. (H.M. Senior Deputy Greffier)

Absent at the Evocation

J.P. Le Tocq (*relevé à 10h 07*)

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The Assembly adjourned at 5.39 p.m.

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States of Deliberation

*The States met at 9.30 a.m. in the presence of
His Excellency Air Marshal Peter Walker, C.B., C.B.E.
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

PRAYERS

The Senior Deputy Greffier

EVOCATION

The Senior Deputy Greffier: Billet d'État XIII, the continuation of the debate.

5

Billet d'État XIII

STATES ASSEMBLY AND CONSTITUTION COMMITTEE

10

**States Members' Conduct Panel:
Findings of the investigation panel into complaints against
Deputy Michael Peter James Hadley
Debate concluded
Deputy Hadley formally reprimanded**

15

The Bailiff: Deputy Duquemin has indicated he wishes to speak. Deputy Duquemin.

Deputy Duquemin: Thank you, sir.

20

Mr Bailiff, yesterday, Deputy Perrot referred to an area of Vazon as unpalatable. Well, it is home for me and I can reassure him that it is not as bad as he might think. (*Laughter*).

Let me tell you, yesterday's Code of Conduct debate, for me, was unpalatable, but it was also another word beginning with 'un' – it was, and is, unnecessary.

25

I will vote in favour of the reprimand as recommended by the panel. Why? We gave them, an independent panel, a job to do, and they have done it. Now we, or at least some of us, the minority I hope, do not like their decision.

30

To borrow and to build on Deputy Langlois' football analogy, we should all know that the referee's decision is final, (**A Member:** Yes.) whether it is a yellow or a red card. Yesterday's debate, sir, was nothing short of the post-match analysis that should have been left to the media – the football pundits on television, radio, newspapers – and the people in the street, supporters, if you like. It had no place in this Chamber Nick Mann is our Alan Hansen, BBC 5 Live's Football 606 Phone-in is the BBC Guernsey Sunday Moan-in, and so on. But the crucial point is that one thing all this analysis of the football matches cannot change is the result, and it should not do that today.

35

Mr Bailiff, the panel – the referee – has given its verdict: a yellow card for what could be described as a professional foul, a tackle, a deliberate handball. All we should be doing today is issuing... stamping the paperwork. Yesterday afternoon was unpalatable and unnecessary. The referee's decision should be final, and I will be voting accordingly.

40 **Deputy Perrot:** Sir?

The Bailiff: Yes, Deputy Perrot.

45 **Deputy Perrot:** On a point of order, (*Laughter*) yesterday – and I really do not want to be misquoted for the second time on this (*Laughter*) – I did not say that the area was *unpalatable*; I said that it was *palatable*.

The Bailiff: Yes, that is what I heard, I think.

50 **Deputy Perrot:** So I hope that my former partner and former Member of this Chamber is listening to my explanation. (*Laughter*) I really do not want to face legal proceedings about that. (*Laughter*)

55 **The Bailiff:** Who wishes to speak next?
Yes, Deputy James.

Deputy James: Thank you, sir.

Sir, I have a degree of reticence to prolong this debate, because I too feel it has gone on far too long; however, my comments will be directed purely towards the issue of confidentiality.

60 In my professional career, confidentiality, of course, was a fundamental part of my being, particularly where patient safety was concerned. I think the issue is fairly simple: did Deputy Hadley breach confidentiality? Quite simply, I think we are all very clear. The Independent Panel said yes, he did. Many of the speakers in this Assembly believe he did. Many of the speakers yesterday, we heard, believed he did but he did so in the public interest, and that is the determination that this Assembly will have to... make a determination when they come to vote.

65 The last four years of my professional career, my specific area of work was safeguarding vulnerable adults, and part of that responsibility was to give many, many presentations to new staff in the service. The one thing I emphasised above all was that if you *ever* come across any area of work where you feel that patient safety was compromised, you have a *duty* to expose that, and that is where my conflict in this whole area poses me a great problem.

70 Deputy Hadley did, in fact, say that he circulated the Report to all States Members in the public interest, and that is what he did; that is what he was guilty of in sharing information with us.

75 Some of the comments yesterday I was intrigued by, and that is why I got to my feet, where we were talking about what constitutes third party. I guess that every single one of us in this Assembly at some point is, in fact, a third party, but it got me thinking and that is why I am speaking.

80 In my first 12 months as a Deputy, I have been in many, many circumstances where I have been having lunch with other fellow Deputies, having a drink, sitting around talking, and most of us have been guilty – let's be honest – of talking about issues that have been on our board agendas. I am not saying that in any malicious way, but we have all done it; so I think, hand on heart, we have all... Maybe I should be cautious about the words I use – I would take away the word 'all'. I am sure *many* of us in this Assembly have spoken out of turn.

85 You may accuse me of making a ridiculous comparison of discussing one item as opposed to circulating a whole report, but I would ask you to think about that, about have we been guilty, because I am absolutely sure, in the 12 months of being a Deputy, I have done that, I have perhaps breached confidentiality – not through malice, but maybe I wanted to talk over an issue that I was uncertain of.

90 It made me think very long and hard last night about that and if I have maybe shared information with someone, and maybe if that person had decided they were out to get me... So we are all vulnerable, we are all absolutely vulnerable, but this is about intent and I do not believe, on this occasion, that Deputy Hadley's actions had any malice intent.

I hear what everybody is saying. I hear that the independent panel have reached their decision.

95 Very briefly, I just want to correct a comment that my colleague, Deputy Bebb, made yesterday, particularly in view... and I am sure he did not intend to mislead the Assembly, but he made reference to all the people who were mentioned in that Report, and he said that that in itself was a breach of confidentiality and their potential reticence to contribute to any future report.

That, in fact, is incorrect. There was no breach of confidentiality, because all those people who contributed to that Report did so in their professional capacity, so there is no *right* on their behalf. If, however, a third party had been mentioned in that Report, yes, there would have been a breach

100 of confidentiality. I am sure that he had no intentions to mislead the Assembly, but that was actually the case.

I think enough from me. Thank you.

105 **Deputy Gollop:** A question of the Procureur here, because I am intrigued by what Deputy James has said. If we took a definition of ourselves, as the States of Guernsey, as a collective executive of 47 Members, then it could be argued that sharing information amongst all 47 of us in a confidential way is not breaching the code of government in a way that it would be if you told the media or a non-Member of this Assembly.

110 **The Bailiff:** Mr Procureur.

The Procureur: It is, of course, in principle, different – a different type of breach of confidentiality – to share confidential information with other Members of the States than it is to share that information with the media.

115 Nevertheless, the argument really does not stand up to any analysis, with respect to Deputy Gollop. There are very often issues before particular Departments in respect of which a duty of confidentiality is owed to third parties all the time, and you are only allowed to share that information to the extent that it is necessary to do so in order to do your job.

120 Since I am on my feet, and since the internet seems to be down in this particular part of the Chamber, I will take the opportunity just to remind Members once again that the issue for debate is not whether or not Deputy Hadley has breached the Code of Conduct. The finding has been made.

The Bailiff: Thank you, Mr Procureur.

125 Does anyone else wish to speak? I see no-one rising. I think one or two might have indicated yesterday evening they were going to, but they are not rising.

In that case, Deputy Hadley, do you wish to make what will be the penultimate speech before Deputy Fallaize replies to the debate?

130 **Deputy Hadley:** Yes, sir.

First of all, Mr Bailiff, I would like to thank all Deputies who have spoken against me being formally reprimanded, and I would now like to deal with a few of the points that have been made in debate.

135 Deputy Storey accused me of delighting in being a serial breaker of the Code of Conduct. Members who were in the last Assembly are probably well aware that the issues that caused me to breach the Code were patient safety and the campaign to give better treatment for disabled people.

In the case of the maternity unit, the issue is one of safety, and as Deputy Dorey says, a result of the review found that our service was better than the UK but it did make a number of recommendations, which *were* acted upon, although some of them were found to be too expensive to deal with at that time. It arose then because the Clinical Risk Manager was being ignored.

140 In the other case, I was shocked to find that a young girl had not been able to go to school for three years because of the absence of a specialised wheelchair service. I fronted a Requête to get this changed. The Requête failed, but the following year the service was moved from obscurity to an appeal for more funding and an improved service was introduced – not the Rolls-Royce service I would have wanted, but a much improved service.

145 In this instance again, the Department would not release a report from its own staff, although there was no issue of confidentiality, and after I had distributed it, it was obvious there was no issue of confidentiality. The Department was being secretive, rather than dealing with issues of concern. Essentially, they were not telling the truth. (*Interjection by Deputy Brehaut*)

150 Now, Deputy Storey... Deputy Brehaut has just called me a liar. I think –

Deputy Brehaut: Sorry sir, Deputy Hadley said the Department were not telling the truth; I said, 'Were, then, lying,' which is what...

155 **Deputy Hadley:** Deputy Dorey said why was it that I did nothing when on the Board, but suddenly felt the urge to distribute the Report. I thank Deputy Lowe for making it clear that I did frequently raise the issue and was told that negotiations were happening. I am disappointed that Deputy Storey made the allegation that I was inactive, because he knows that on the very day he was elected to the Board I spoke to him at length about the Accident and Emergency department, and I pointed out, which he did not know, that there were no junior doctors in the hospital.

160 Again, I asked Deputy Dorey in December of last year if he and I could meet the Chief Officer of HSSD to discuss the A&E department, and that meeting was never arranged. I met the Deputy Chief Executive to discuss the A&E department and the failure for action. I met the Chief Minister on more than one occasion.

165 I asked Deputy Dorey if he would meet the staff in the A&E department and he told me that he had other priorities that were more important.

I am sure that Deputy Storey and I could argue for some time as to the precise definition of 'whistleblower'. The point that I was trying to make was that censuring me for releasing this Report would discourage those people who wish to raise clinical issues.

170 Deputy Brehaut said I was unnecessarily alarmist and that I was a privileged person to whom doors were open. He made fun of my quoting Edmund Burke, and said I was suggesting I was the honest chap and HSSD was evil. For the record, the quotation is:

'The only thing necessary for the triumph of evil is that good men do nothing.'

175 I hope the Assembly will forgive me for telling them that, after leaving the School of Pharmacy at Aston, I was a post-graduate student at Birmingham General Hospital, where, amongst other tasks, I made transfusion solutions. When my work load was too great, we purchased some from a manufacturer. I took some of these solutions to the chief pharmacist and told him there was a particular matter in them and they were not fit for use. I told him that if I had made them, I would never have been allowed to issue them. He said, 'But you didn't make them. It is not our problem. They were made by Evans Medical. Issue them.' The deputy chief pharmacist was appalled and said, 'We cannot overrule him: give out the best ones and throw the rest.' Two days later, a patient died in Glasgow Infirmary after being given a solution from the same batch. I vowed I would not keep quiet again.

185 I agree with Deputy Brehaut on one issue: I have constantly criticised the management of the hospital because of the failure to deal with issues, which in the long run will cost us much more. It may be there are not enough managers, or it may be they are not good enough. Either way, it is an issue that needs to be dealt with.

190 Members will recall me saying that when I finally did have a meeting with managers in the Department, the Financial Director leading the negotiations with PCCL said the first meeting was last November, a year after the Report was issued.

Deputy Harwood says I should have reflected. How long does he want me to reflect? I have reflected for two years, I have seen him more than once, and the issues that have come to light indicate a possible waste of money that would wipe out the overspend in HSSD this year.

195 I thank Deputy Trott for pointing out what we all know: that rules are often broken. I hope he agrees that this is one that merits it.

Although he is the only medical doctor in the Assembly, I have to disagree with Deputy Adam. The changes suggested by the College were not the gold standard, but a move to a safer basic service.

200 Deputy Dorey said, amongst other things, that my letter to the Code of Conduct Panel was wildly inaccurate and misleading. He said the service was safe and I was just demoralising the staff. He said I was making wild accusations. This is not true and is a slur on my character. If anybody believes that, it totally destroys my reputation and credibility.

205 Nearly all of the information is taken from the Report which was compiled by the President of the College of Emergency Medicine in the UK, a man who has advised the Australian government, a man who has written a standard text book on emergency medicine, and a man who gave his time to advise this Island. He is undoubtedly the foremost expert in the field of emergency medicine, and he came with the registrar of the College.

210 As this Report clearly points out, all of the doctors working in A&E, including the Primary Care Company Ltd employed doctors, the board of Primary Care Company Ltd, as well as the majority of the nursing staff, were interviewed at length by the president, and on the basis of these interviews he has reached the conclusions as set out in the Report.

215 My Code of Conduct letter was based on the information and conclusions made in the Report, as well as certain further information I ascertained from employees in A&E, none of whom, may I add, have any financial interest in PCCL or are employed by HSSD, but are purely motivated, in my view, by their professional concerns.

220 Finally, I do know that Deputy Dorey has spoken directly, at length, for an hour, to at least one A&E doctor who has made it clear to him that the conclusions drawn in the Report materially agree with the views of the staff in the Department. This conversation with Deputy Dorey took place on 23rd April, the day before the last States meeting, which was convened on the

Wednesday – the day when he told this Assembly the service was safe and that he had no concerns. He has *seriously* misled this Assembly.

225 Does he really think that I would have issued a letter to the Panel without first having checked my contacts who are experts in the field? Some of these contacts are quite close to me. My own daughter is an ICU consultant in the UK's second largest trauma centre in the UK and she used to teach the ALS and ALST courses which he has frequently referred to.

The Code of Conduct Panel said that I should use the tools available to me. They said that I should have asked more questions of the Minister. Deputy Dorey has shown that any amount of questions posed to him would *never* have elicited the truth.

230 Finally, Deputy Dorey said that the e-mail dated 6th September was sent to 14 people. I do not dispute that. I have got the e-mail with me. What he did not tell you was what the e-mail said. It says:

235 'Dear all, attached final copy of A&E report. Please forward on to interested staff colleagues.'

Fourteen Members, another 14 that it was distributed to, and so on – and I have only got one link of the chain. This is a widely distributed Report. So again he has been economical with the truth.

240 I think for a Minister to mislead the Assembly in trying to damage my reputation is a very serious issue. Furthermore, I submit to this Assembly that I may well not even be guilty of breaking the rule, for another technical reason: I have not distributed the Report, the hard copy that I received as a Board Member. I have sent an e-mail copy, which I easily obtained elsewhere.

Finally, Mr Bailiff, I would like to thank all of the colleagues who have contributed to this debate.

245 Personally, I think the debate has been lively and has caused Members to give some thought to the balance that needs to be made between the public interest on the one hand and the need to keep some States issues confidential.

250 One of you said, in debate, if it was such an important issue, why did I not blow the whistle years ago. Well, I suppose I did not fully understand how serious the issues were, at first. There was a division of opinion between some of the doctors working in the A&E department and the employing GPs. It was only when the Report confirmed that safety issues were important that it was possible to press for change, and when the Report was issued I was assured that action was being taken, I was assured that changes were being negotiated; but in fact, nothing significant had happened after two years.

255 I do take exception to the remarks of Deputy Bebb when he said this was a leak with scant regard to the consequences and I should be censured. I have lost a lot of sleep over this because I *am* worried that staff in the Department and patients will be upset. However, it seems to me that it is better to cause *some* upset if the issues are dealt with. But yes, even with the benefit of hindsight, I would do the same thing again, and I think I have shown that there was no other way of doing it.

260 Finally, I do not relish a formal reprimand from this Assembly. It is damaging to my reputation, and as I have said before, I represent probably the most conservative electoral district, where many of my constituents expect their Deputies to act in a responsible way.

265 After our election we took a solemn oath – or affirmed, in my case – in the Royal Court, and the Code of Conduct says the primary duty of Members is to act in the public interest. In doing so, Members have a duty at all times to act in accordance with their oaths and the public trust placed in them, and I really do think that, having taken a solemn oath or affirmation, that does override the need for confidentiality in this particular case.

270 So I hope Members will now agree that my wish to discharge that duty did override the duty to comply with Rule 18A, and reject a formal reprimand.

Thank you, sir.

The Bailiff: Deputy Dorey.

275 **Deputy Dorey:** Thank you, sir.

I cannot allow those remarks that were made to go unchallenged.

280 He said that his letter did not go beyond the College of Emergency Medicine Report. It goes way beyond it. It talks about finances and things which are not in the Report. It talks about the HR department at HSSD. It goes way beyond it. There is absolutely no doubt that the Code of Conduct letter is not solely focused on the College of Emergency Medicine Report.

285 He mentions about meetings, and I have said this repeatedly: Deputy Hadley, after I was elected as Minister, was phoning me up every day. I had numerous conversations with him. I do not consider I have seriously misled the House or the Panel. I have been very clear on safety and how I clarify that safety is not an absolute, it is relative, and I have explained that in relation to safety.

He said that he received the Report by other means. In fact, the e-mail he sent to States Members says:

290 'I have been asked by one of you for a copy of the Report that I received as a Board member, and therefore attach this.'

So he was very clear in his e-mail that he sent to States Members that it was as a Board member he received that Report.

295 **The Bailiff:** Deputy Fallaize now will reply to the debate.

Deputy Fallaize: Thank you, sir.

This will not take too long, and arguably the debate has already gone on quite long enough.

300 I just want to make a few points, sir, and the first thing I want to say, if I may, is about your presiding over this debate.

I thought it was very unfortunate that there was a report yesterday that you had tried to gag Members in this debate, (**Several Members:** Hear, hear.) and anybody who has participated in or listened to this debate can see or hear, very obviously, that all Members have been allowed to develop their arguments. There has been a very full and frank debate – probably too full and frank, at times – and therefore, sir, there is no question at all that you have tried to restrict what Members have said.

Several Members: Hear, hear.

310 **The Bailiff:** Thank you, Deputy Fallaize.

Deputy Fallaize: Deputy Le Tocq, I thought, made one of the best speeches of the debate. He spoke about proportionality and perspective and reminded the States that a reprimand does not mean that the States believes that Deputy Hadley acted without good intentions, or that the States does not have sympathy for the very valid concerns about the Health services which Deputy Hadley was trying to raise.

In this instance, though, a reprimand does uphold the Members' Code of Conduct, and I do fear that if the Code of Conduct comes to have no sanction, then in effect it has no meaning and we might just as well abandon the Code altogether, which I think would be most unfortunate.

320 Deputy Trott also referred to something that was not worth the paper it was written on. I think he said that a reprimand was not worth the paper it was written on, although in fairness, Deputy Hadley's speech just now would tend to indicate otherwise, because clearly he does wish to avoid a reprimand.

I thought Deputy Trott also made a very good speech and put both sides of the argument very eloquently. Interestingly, he recalled that when he was Chief Minister, often the press would be on the phone to him within minutes of Policy Council meetings finishing. I suppose that is the problem with ring-back. (*Laughter and applause*) That is the first time I have ever got away with saying something like that without Deputy Trott jumping to his feet – but he will get me back, I hope! (*Interjection and laughter*)

330 Deputy Duquemin and Deputy Langlois both urged the States to be very cautious about deviating from the recommendation of the Panel, and I think that is a very valid point. I explained, when I opened this debate, that the States Assembly and Constitution Committee essentially assured itself that the Panel's findings were reasonable, in the terms normally used legally that it was a decision that could have been made by a reasonable body of persons etc.

335 Having passed that test, the Committee simply is recommending the Panel's findings to the States, and in a sense I think there is a good argument for the States acting in exactly the same way, and once it has satisfied itself that the Panel has acted reasonably – not necessarily that we would all agree to the same conclusion, but once they have acted reasonably – in order to uphold their independence, we should accept their recommendation.

340 On the other hand, many Members, including my colleague on the Committee, Deputy Conder, have raised what I think is a very legitimate concern about the wisdom of all Ministers acting in

concert to report Deputy Hadley to the Code of Conduct Panel, and I do think that that has appeared disproportionate.

345 A further matter which has perhaps arisen out of this whole affair is that the College of Emergency Medicine Report, in some form or another, could and should have been published months ago. That is the irony if Deputy Hadley does end up being reprimanded today. He has published a Report which should have been published in any event. There does need to be a presumption to publish reports which are commissioned by States Departments and Committees and paid for by the taxpayer, and clearly, at the moment, there is not such a presumption to publish.

350 I accept that, if the Department had published the Report, it may have done so with minor redactions, but I do not really think that is material to the consideration of whether this Report should have been published, and I hope that when the Policy Council reports to the States in July or September, or whenever it is going to be, about access to information, that it takes into account the views expressed by many Members in this Assembly about the importance of a presumption to publish.

360 Once the Policy Council has reported and the States has resolved upon that Report, then my Committee will clearly have to undertake a review of the States Members' Code of Conduct and certain aspects of it. Deputy Green raised one: the conflict between the duty to act in the public interest and clause 18A, which makes all documents which Members come into contact with as Members of Departments and Committees, confidential. I think the Committee accepts that.

365 It will not be easy. The Committee has reviewed the Code of Conduct in the past, and if any Members have any suggestions about ways in which the Code of Conduct could be improved, or that the obligations upon Members could be further clarified – perhaps in practice notes, if that is the right term, or something underpinning the Code – then please get in touch with the Committee.

370 For my part, as the Chairman of the Committee, I will, whenever there is a case investigated by the Members' Code of Conduct Panel, deviate from its recommendations only where I believe those recommendations are wholly unreasonable and could not have been reached by any reasonable body of persons; because otherwise, I think particularly in my case, as Chairman of the Committee which is most associated with the Code, doing anything else would just undermine the Code and undermine the Panel, and I do not want to do that. But I do respect that Members must vote according to their conscience.

375 The final thing I want to say, which is related to that, is that that need to vote according to their conscience must apply to the Members of the States Assembly and Constitution Committee as much as to every other Member of the States. (**A Member:** Hear, hear.) I hope that, in debate, Deputy Conder, who is an extremely valued Member of the Committee, has been persuaded that collective responsibility, implied or otherwise, cannot possibly be attached to a motion of this nature, and has been persuaded that he *can* vote against this Proposition and remain on the Committee. I am certain that that is the view of the majority of States Members (**Several Members:** Hear, Hear.) and I very much hope that that is the way he will act.

380 I do not have anything else to say, sir, and I look forward to moving on to other and arguably more important business.

Deputy Luxon: Briefly, sir?

385 **The Bailiff:** Deputy Luxon.

Deputy Luxon: May I just make a correction to something to Deputy Fallaize said, sir?

390 The 11 Members of the Policy Council were elected by this Assembly, and you said that you felt the Policy Council had acted in concert and therefore disproportionately. I do not remember being asked to make the decision when this matter came before the Policy Council, as a whole Policy Council. Individually, we may well have decided to support it. There was no concert decision about it. It is not correct, Deputy Fallaize.

Thank you, sir.

395 **The Bailiff:** Deputy Fallaize.

400 **Deputy Fallaize:** I accept that, sir. I was referring to the letter which the Policy Council had sent to the Chairman of the Independent Panel, which was signed by 10 Ministers and one deputy Minister. Perhaps it was 10 Ministers acting in concert, rather than the Policy Council acting in concert. I apologise if the phraseology was wrong.

Deputy Luxon: Sir, I am so sorry, but the point was it was not a concert decision. There were 11 people on the Committee; they happened to decide that they were in agreement. That is not concert; that is 11 people agreeing to the same decision.

405

The Bailiff: Deputy Le Tocq, you wish to be *relevé*. Yes.

So we come now to the recorded vote.

I remind Members that the Proposition is to be found at page 993 in Billet XIII and it reads:

410

‘After consideration of the Report dated 15th May, 2013, of the States Assembly and Constitution Committee, that Deputy M P J Hadley be and hereby is formally reprimanded pursuant to the Code of Conduct for Members of the States of Deliberation.’

415

Mr Le Tocq is *relevé*, yes.

So, we will have a recorded vote on that Proposition.

There was a recorded vote.

Carried – Pour 26, Contre 19, Abstained 2, Not Present 0

POUR	CONTRE	ABSTAINED	NOT PRESENT
Deputy Brouard	Deputy Perrot	Alderney Rep. Jean	None
Deputy Inglis	Deputy Wilkie	Deputy Adam	
Deputy Sillars	Deputy De Lisle		
Deputy Luxon	Deputy Burford		
Deputy O’Hara	Deputy Soulsby		
Deputy Quin	Deputy Hadley		
Alderney Rep. Arditti	Deputy Kuttelwascher		
Deputy Harwood	Deputy Le Clerc		
Deputy Brehaut	Deputy Gollop		
Deputy Domaille	Deputy Sherbourne		
Deputy Langlois	Deputy Conder		
Deputy Robert Jones	Deputy Lester Queripel		
Deputy Storey	Deputy Le Pelley		
Deputy Bebb	Deputy Laurie Queripel		
Deputy St Pier	Deputy Lowe		
Deputy Stewart	Deputy Spruce		
Deputy Gillson	Deputy Green		
Deputy Ogier	Deputy Paint		
Deputy Trott	Deputy James		
Deputy Fallaize			
Deputy David Jones			
Deputy Le Lièvre			
Deputy Collins			
Deputy Duquemin			
Deputy Dorey			
Deputy Le Tocq			

420

The Bailiff: Members, I am just asking that the windows be opened. If anybody wishes to remove their jackets, they may do so.

Members of the States, the result of the vote on the Proposition is *Pour*, 26 votes; *Contre*, 19 votes; abstentions, 2. So, I declare the Proposition carried.

425

Deputy Hadley, it is my duty to advise you that you are hereby formally reprimanded.

Billet d’État VIII

430

TREASURY AND RESOURCES DEPARTMENT

435

Double Taxation Agreements with the Governments of the Isle of Man and Jersey, approved

Article VI.

The States are asked to decide:

440

Whether after consideration of the Report dated 26th February, 2013, of the Treasury and Resources Department, they are of the opinion to:

1. Ratify the Agreements made with the Governments of the Isle of Man and Jersey, as appended to this Report, so that they have effect in accordance with section 172(1) of the Income Tax Law.

445 2. In relation to the Agreement with the Government of Jersey, signed in 1955, revoke its Resolution made on 22 June 1955, under section 23(1) of the Income Tax (Guernsey) Law, 1950, as amended, in accordance with section 172(2) of the Income Tax Law.

The Senior Deputy Greffier: Billet d'État No. VIII, Article VI, Treasury and Resources Department, Double Taxation Agreements with the Governments of the Isle of Man and Jersey.

450

The Bailiff: Deputy St Pier will open the debate.

Deputy St Pier: Sir, I have very little to say in this debate. This is, yet again, what has now become a routine matter – these reports are appearing before the Assembly at regular intervals – but I will obviously be happy to respond to any queries or questions that Members may have in debate, sir.

455

The Bailiff: Thank you.

Is there any request for any debate? No, I see no-one rising.

460

We then go straight to the vote. There are two Propositions. They are to be found on page 526 of the Billet. I put both of them to you together.

Those in favour; those against.

465

Members voted Pour.

The Bailiff: I declare them carried.

470

COMMERCE AND EMPLOYMENT DEPARTMENT

Limited Liability Partnerships Supplementary States Report Amended Proposition carried

475

Article VII.

The States are asked:

Whether, after consideration of the Report dated 26th February, 2013, of the Commerce and Employment Department, they are of the opinion:

480

1. To approve the proposals set out sections 2 through 6 in the States Report.

2. To direct the preparation of such legislation as may be necessary to give effect to those proposals.

485

The Greffier: Article VII, Commerce and Employment Department, Limited Liability Partnerships – Supplementary States Report.

The Bailiff: Deputy Stewart.

Deputy Stewart: Thank you, Mr Bailiff.

490

Just a short note, really, on this. I did wake up this morning and yesterday morning feeling rather chipper until I sat down and listened to the radio, and there was all this talk about the buses, and then there was Deputy Hadley, and the electricity – not a single word about the Limited Liability Partnership Supplementary Report, not a mention. *(Laughter)*

495

However, it is important. It is economic enabling legislation and it will be of extreme benefit to accountants, lawyers and other professionals.

500

Before we get accused of being finance centric, just for the information of the Assembly – it was mentioned earlier yesterday in debate – the Economic Development Strategy is in final draft form; the Financial Sector Strategy, again, in final draft form. The Dairy Review Group is making extremely good progress – that will be coming to this Assembly later this year. We are working very hard now on looking at the cost of broadband for industry in comparison with other European jurisdictions; not other islands, but our main competitors – Dublin, Luxembourg, Switzerland, the

United Kingdom. The 4G consultation from CICRA will be out very shortly in full, and we carried out a huge investigation, not just on the two bands that were being proposed last year on 800 MHz and 2600 MHz, but we looked at the whole spectrum to make sure that the Island –

505

The Bailiff: Is this relevant to the present debate?

Deputy Stewart: Well, I have sort of drifted a bit, I suppose, but I was enjoying the moment, sir! *(Laughter)*

510

The Bailiff: You are a bit too chipper, I think! *(Laughter and applause)*

Deputy Stewart: Things have been building up for a day and a half, sir! *(Laughter)*

515

A Member: Commercial break!

Deputy Stewart: We will take a short break, and we will be back after that.

I would like to say that parts of our Strategy are already being implemented.

I will get back to the main bit. I was very pleased that, this morning, some parts of our strategies, which are no brainers, encouraging small business – 700 places have been taken up on our small business skills workshops; 130 attendees this morning.

520

Back to the Report, it is very clear in this Report, and I am very pleased that my Financial Sector Development Unit have written it for anyone to understand. You do not have to understand finance or be involved in the finance sector to understand this Report, and I think it does make it very clear.

525

I would also like to note that, within the Report, we will be bringing back to the States one or two future innovations that industry and my Board have identified that may be useful but we could not incorporate into the main body of the legislation because it would actually slow that down. But we will be coming back to the States with a report so that names of LLPs can be in a language other than English, we will bring legislation or a report to the States so that LLPs can convert to other legal entities and *vice versa*, and also for LLPs to be able to amalgamate with each other, and this will give us even more flexibility for our industry.

530

So I would ask you to support the recommendations in this Report – and thank you, sir, for letting me drift a little bit, and I was feeling chipper.

535

The Bailiff: Deputy Gollop.

Deputy Gollop: Well, the possibility of partnerships being in a language other than English is intriguing, because many names of this Island are not, strictly speaking, English, and I am wondering if you are thinking about Rendezvous d'Amour, or something like that. *(Laughter)*

540

Moving on from that, we all know that there are certain people who work at Commerce and Employment who contribute enormously to the construction, definition and drafting of this legislation, but I would also suggest that, as it does put a possible resource burden on St James Chambers as well, the Department considers working with the industries to outsource some of this, because we are aware that it is important that legislation is brought in across the political range, and in the past, perhaps justifiably, financial sector legislation has tended to have first or second place in the queue. That is an issue to bring a balance.

545

I entirely applaud the get-up-and-go – chipper, if you like – innovative atmosphere Commerce and Employment are bringing. Indeed, having attended a directors' lunch recently, it is obvious that the future of our Island's industries lie in being extremely innovative and progressive in introducing new professionalism and products, rather than in old methods of working that perhaps were overly reliant on having a strict tax advantage.

550

The Bailiff: Any further debate?

555

Mr Procureur.

The Procureur: Before we go to the vote, may I move an amendment on the hoof –

The Bailiff: If you wish to.

560

The Procureur: – to the Proposition, which, as set out on page 544, reads *[sic]*:

‘1. To approve the proposals set out sections 2 through 6 in the States Report.’

565 May I suggest that the resolution of this Assembly be to approve the Proposals set out in sections 2 to 6 in the States Report?

Deputy Gollop: Yes, it is not ‘through’; it is ‘to’.

570 **The Bailiff:** We go to the vote on that amendment.
Those in favour; those against.

Members voted Pour.

575 **The Bailiff:** I declare it carried.
Deputy Stewart, do you wish to reply to Deputy Gollop; or shall we go straight to the vote?

580 **Deputy Stewart:** Very quickly, I would like to say thank you for your comments, Deputy Gollop. In many areas, a lot of private firms are working closely with the Law Officers to make sure that help is given and advice from the industry, but we are indeed looking at ways whereby certain pieces of legislation might be speeded up. So thank you for your comments.

Deputy Trott: Sir, just on a minor procedural matter –

585 **The Bailiff:** Deputy Trott.

Deputy Trott: – we forgot to second the Procureur’s amendment before we went to the vote.

590 **The Bailiff:** Did you wish to do so? Do you wish to do so?

Deputy Trott: I would be delighted to do so, sir.

The Bailiff: Well, thank you very much. *(Laughter)*

595 In that case, the Propositions are as amended... The Propositions are to be found on page 544 and they have been amended as a result of the successful amendment proposed by the Procureur and seconded by Deputy Trott. I put both Propositions to you together.
Those in favour; those against.

Members voted Pour.

600 **The Bailiff:** I declare them carried.

605 **PUBLIC SERVICES DEPARTMENT**

**Ports Master Plan
Report noted**

610 *The States are asked to decide:
VIII. Whether, after consideration of the Report dated 8th March, 2013, of Public Services Department, they are of the opinion:
1. To note the contents of the report in accordance with Rule 12(4) of the Rules of Procedure.*

615 **The Senior Deputy Greffier:** Article VIII, Public Services Department, Ports Master Plan.

The Bailiff: Deputy Luxon, Minister for Public Services Department, to open the debate.

620 **Deputy Luxon:** Mr Bailiff, States Members, as Minister for Public Services Department, I am delighted to open the debate on this Ports Master Plan States Report under Rule 12(4) on behalf of my Board, the Department and the Harbours team.

The Report itself is almost 200 pages and covers a diverse range of topics, and I hope Members have found it thoughtful, helpful and relatively easy to follow.

625 The two main outcomes I would like to achieve are first to be clear about what it is; and
equally important, second, to be clear about what it is not. No mean task.

PSD want to be clear about what exactly we are trying to achieve in laying this Report, this
Green Paper, before the Assembly today, and I thank those Members who attended our briefings
on the Ports Master Plan earlier this year when we published it. Those discussions were very
630 helpful and some excellent feedback was received, and in fact it was that dialogue that encouraged
my Board to move forward and decide to produce this Report debated today. We want to stimulate
debate and hear the views of all Deputies to inform us on how we progress matters over the next
three years.

Sir, so, what it is not: well, it is not a proposed list of projects that we are asking to proceed
with here and now; it is not a request for capital funding as such, although we have included some
635 elements within our capital prioritisation submission 2014-17; it is not a list of things that the
States of Guernsey, through PSD, absolutely must do over the coming years; it is not centric on the
micro-detailed issues confronting the day-to-day operational issues facing our harbours; it is not a
report of fully costed specific requirements across the two harbours; and it does not purport to
provide all of the answers to all of the many questions facing our ports' infrastructure and strategic
640 operating assets over the next 25 to 50 years.

Sir, so, what it is: it is a review of the entire harbours asset and operations resulting from
extensive and engaged consultation with all stakeholder groups for input; it is a far-reaching long-
term horizon review of the harbours' current short-term and long-term requirements; it is a macro
645 overview which looks at the big scenario opportunities and options, providing a suitable
framework upon which we can set and assess each component part; it forms a visionary canvas
upon which other States of Guernsey Departments can conceptualise and fit their raft of
developing strategies against; it is clear about the PSD-specific projects that we do have to
progress now; and it does enable a joined-up-government approach, ensuring that PSD and the
Harbours reference future plans against the broader Island mandate and interests.

Sir, I mentioned just now that the Ports Master Plan can act as a framework for associated
activities to ensure we get best value out of future decisions for Guernsey as a whole. Specifically,
it lends itself well to genuinely informing and interlocking with the following work streams: the
Strategic Land Use Plan, the resultant development plans, the St Peter Port Strategy, the Retail
Strategy, the Transport Strategy, the Island Infrastructure Plan, and of course the Strategic Asset
655 Management Plan.

Already we have received much initial interest in the Ports Master Plan and its various
component parts, and over recent months have received some interesting approaches from bodies
and organisations who wish to explore ways in which aspects of the Ports Master Plan can be
660 taken forward. This is good news. We will look to develop these concepts in addition to any
direction we receive today from the Assembly and fellow Deputies.

Sir, we have been very clear about the four specific items identified through this process which
fall within PSD's department mandate. These are matters which my Department staff have already
given time and effort to exploring in terms of the who, what, why, when and how, with project
teams and objectives having clearly been mapped out to work up detailed proposals which will
665 come back to the States for approval in the near future.

Sir, the four of them are: resolving a long-term solution to securing safe and viable fuel
supplies into the Island through the provision of a deep-water berth to replace the archaic practice
of dry-docking vessels in St Sampson's Harbour; second, relocating the security line in St Peter
Port Harbour to both comply with international security standards – the ISPS code – and also
670 create a secure area separating the commercial and public activities from one another; three,
repairing and enhancing the commercial fish quay to enable this industry sector to operate safely,
efficiently and effectively; and finally, sir, the fourth, refining the welcome facilities in place to
receive the very many cruise liner passengers arriving to St Peter Port by tender.

This is a great example of a great success at our harbours – over 100 cruise liners due to arrive
675 in the Island this year – but also a great example of how our previous *ad hoc* reactive approach to
developing facilities leaves us wanting in terms of the good first impression we give to our new
guest passengers: a garden sun canopy and a happy smile. It is simply not good enough.

Mr Bailiff, I will listen to Members' comments with great interest, as will my fellow Board
Members, and confirm that the other outstanding matters of the Careening Hard future use, a
680 cruise liner deep-water berth investigation and the commercialisation exploratory work on
Guernsey harbours have not been forgotten and are part of my Department's current work streams
and will be brought back to the Assembly once completed with our recommendations, whatever
they may be.

Thank you sir.

685

The Bailiff: Deputy O'Hara, then Deputy De Lisle.

Deputy O'Hara: Thank you, sir.

690 Members, first of all, congratulations to the PSD Minister and his Board. This is an excellent Plan, 25 years. It was an excellent Report, an excellent brochure that was brought out, and I know that was done with lots of consultation.

Its vision could be described as almost Victorian. When you think about what the Victorians did to our town here and our harbour, this is probably one of the biggest visions since that time – and as I said, congratulations to them. It is very, very ambitious, but not beyond realism.

695 Its strategic importance is without doubt absolutely important that we do something with our port. I think we all know there are many difficulties there. It is described in their Report as a key document, and indeed it is.

For me, it ticks the boxes in many areas. It certainly ticks the box for my Department, from Culture and Leisure, because it opens up so many things that we can do within that gem of areas that we have got on our waterfront. We could form a maritime museum and we could indeed look to house the *Asterix* wreck, which is something that has been in the news for a considerable time, certainly since I have been involved with Culture and Leisure, for 10 years or so.

700 Tourism: well, that is obvious to anyone. I think if the area, particularly North Beach, is developed in such a way, then I think that could be a really good place for a new tourism information centre. There is talk about moving that at the moment, and I do not totally agree with that, but if something did happen strategically there, I think that would be the ideal place, adjacent to a possible maritime museum, which could be absolutely great for visitors and locals alike.

705 As I say, it ticks all the boxes. It is clearly a revenue earner. I think the States will do very well out of it. It is good for cruise liners, the passengers coming in. It is our gateway. At the moment, I have to say I would not be very proud... I am not very proud of it as it is at the moment. I think it is well due an overhaul and we need to create an important impression to people who visit this wonderful Island of ours.

You will know what I feel about the waterfront, I think. I have been saying for many years I would like to see the waterfront become pedestrianised. We do close the waterfront on Sundays, and that is proving very... well, it is proving a very good asset, I believe. People are enjoying it. As I say, tourism is benefiting from it, and locals alike. As I said before, it is a gem and we should try to polish it and make it as bright as we possibly can.

715 The important factor behind all this, of course, is that we do need a sustainable port for the future. There are technical issues there which need to be resolved, and we need to meet the necessary international requirements that such a port demands.

720 The crux, of course, is cost. It is very ambitious and the cost is going to be extraordinarily high, but I believe that in this instance we will need to look very, very seriously into public and private partnerships in some way or another, and indeed in clause 3.7 the Report says:

725 ‘Coordinated and strategic planning is especially important for deciding how and when to invest in the harbours. At present, this investment is likely to rely upon public money but with a limited amount of funds available other opportunities should be explored.’

730 I believe those other opportunities should be private investment. Indeed, I think that there are many developers up and down the world who would look at the possibility of developing the harbour and possibly doing some feasibility studies to see what we could get best out of it and what kind of revenue the Island could get out of it.

735 As the Minister has said, sir, this needs to take in lots of other States strategies – there is no doubt about that – we have all been working hard, as Members here, to pull together a plan for the Island and this needs to take all those strategies into consideration, and he will be looking for more consultation with the public and the States to progress it further.

740 There has been a lot of consultation already, and as I said, I congratulate him on that, but I believe that what could happen here to... He is looking for ideas, and I think that within the States set-up we should be looking together first, Departments, to form some kind of project team and let's see if we can move this on a little bit further, because the potential is *enormous*. We must get behind it.

745 What I am concerned about is we have pulled together schemes like this before and we have never really got on with it. This is an opportunity, I think, that we should get together. I would not like to see this simply put on the shelf and left. It is far, far too important. I, personally – and I will make a request now – would love to get involved with this project team. I would give it 200%. I

really want to make it happen. I know there are a lot of people likewise within this Assembly who will probably feel the same.

I will leave it at that, and again congratulate the Minister and his Department for this vision for the future. Let's hope we can make it happen.

750

Thank you, sir.

The Bailiff: It is Deputy De Lisle, then Deputy David Jones, to be followed by Deputy Lester Queripel.

755

Deputy De Lisle: Thank you, sir.

The Ports Master Plan is all about supporting existing business, providing for the growth of new economic sectors, and maintaining and increasing employment in the ports – maintaining economic prosperity, in other words.

760

Obviously, it is important to plan ahead. We want improvements to accommodate new business initiatives – the fish quay is an example – diversify to increase revenues and accommodation for future opportunities provided by offshore renewable energy and public access to the port amenity, and so on. These are well addressed in the Ports Plan.

765

The danger, sir, is with words drawn from studies from communities elsewhere. The use of the term 'waterfront' is somewhat foreign to us. 'Regenerate the waterfront', 'stimulate transformation of the waterfront' – these terms invoke images of waterfront planning in other centres: Jersey waterfront developments, as an example close by; Toronto waterfront developments further afield. Here, surely, we wish to preserve St Peter Port as the jewel in the crown and ensure that any harbour developments are sensitive and proportionate and avoid separating the town from the seafront.

770

The implementation strategy and next steps is an important section, and there is great news in there on the liquid bulk deep-water berth, the fish quay facility enhancement modernisation, the upgrade of passenger terminal facilities. But the Plan as stated is subject to regular review, and already we need to do just that.

775

First, on the cruise berth design concepts, without a viable business case, noted in area 5.2, we need to re-steer the direction to facilitate the different experience of touching the sea and the experience of the approach into St Peter Port Harbour in tender from cruise ships.

780

Another area of change is that of the implementation of charging policy of all car parks on the seafront. This goes against business development in town and the link between a thriving town and the port facilities. In the UK, sir, current opinion has found it leads to the decline of town centres, and many are now stopping charging in town centres to encourage revival of their town centres.

I believe it is important to take one step at a time, take opportunities as they appear, which is mentioned in the Report. The qualification at the end of the Guernsey Ports Master Plan is worth, in fact, repeating here. Essentially, it says to work with the resources you have.

785

The financial records indicate Guernsey harbours contributed £2.6 million to general revenue in 2011. Revenue increases in the future would allow the States to invest in the ports, both to make improvements to the facilities and catch up on deferred maintenance of the maritime installations within its purview. So I suggest that we encourage those developments in going forward, sir.

Thank you.

790

The Bailiff: Thank you.
Deputy Dave Jones.

Deputy David Jones: Thank you, Mr Bailiff, Members of the States.

795

When you hear the words 'master plan'... when I hear it, anyway, it fills me with dread at times, because it is usually when I reads those words I think, 'Here we go again, it is the States, we have got all these other different plans but this is the master plan, designed to screw up all the other plans and cover us in treacle for many years while we try and wade through it all.'

800

But actually I read between the lines of this particular Master Plan and I have to say that the PSD have done what they were charged to do and come forward with a long-term future for the harbours, which is what they have done, but I do share some of the issues that Deputy De Lisle has brought forward, and that is I do not want to see the whole fabric of St Peter Port destroyed in order for this Master Plan to be put into place.

805

I am a big supporter of the cruise liners. I think if we could find a way of getting them ashore more safely and perhaps refuelling the ships at the same time, it could be quite an earner. If you saw that picture in the press the other day of that huge yacht that came and took on many

thousands of tonnes of fuel... we did not get a penny out of it because there is no tax on marine fuel, so we could look at that.

810 Where I do get nervous is when I read in this Report things like ‘relocating the security line at St Peter Port Harbour to ensure Guernsey meets security requirements’ and allow the ships to continue using it. This is really code for nicking more of the parking. That is what this is about, and it does not really explain anything further than that.

815 The harbours are fairly secure. We have managed to fence the public out of it over the years and stop them enjoying their traditional pastimes and walking down to the signal station and fishing off the end. We soon put a stop to that. We used to be able to walk into the freight areas, but we put a stop to that. All of the Health and Safety armies came out and decided to tell us what we could do and what we could not do. And yet, funnily enough, it is all done on the international scale, and when I go to other places around the globe and see what they do in their harbours – not very much, really. They leave the public alone, they do not fence them out, and they allow them to wander around pretty freely. So I am not sure why we are spending all this money preventing our public from doing what they do in lots of places elsewhere on the pretence that it is all to do with this wonderful international code about harbours.

820 The other areas, I think, are the freight berths. The problem is that the more we do, the more expense we add in to the way we bring our freight in. If you remember, St Sampson’s Harbour was the busiest harbour in Guernsey for many years – all the timber came in, the coal, all the aggregates and everything else, on both sides, the north side and south side. Old Taffy, the crane driver, used to hold the record for shouting to his crane drivers from one side to the other, and he could be heard across the harbour every day. I remember him well. Of course, all that has gone now because it is all done by roll-on, roll-off, and that is a much safer way – there is no doubt about that – of bringing goods into the Island, and as the Report says, 90% of our goods come in through St Peter Port Harbour.

825 The problem is that the more cost we put into this, the more that will be passed on to the freight companies and that will then, in turn, be passed on to goods in the shops and the cost of everything to the public will be ratcheted up again, and that does concern me.

830 So, while I hear what the Minister said in his opening speech, that we do not have to do all these things, we do have to do some of them, but they have to be measured and the amount of money that we put into them also has to be measured, considering that there is only a population of 60,000 people to pay for it all, and we often forget that. We talk about these grand schemes as if we are some huge country, and yet we forget there is only a finite number of people to pay for them.

835 The one thing I do agree with is the idea that we will need a deep-water berth. The fuel ships in St Sampson fuel up about 200 metres from my front door. I looked many years ago on a plan that showed the blast radiuses if the gas boat, which is on the other side, was to blow up, and it would take out most of St Sampson’s and pretty much all of the Vale. So they decided then, at that time, to build the blast wall, which always struck me as very odd because the blast wall is obviously there, so if the ship does blow up it has got nice bits of heavy granite to hurl around everywhere! (Laughter) I could never really see the sense in that, because it is not going to stop anything. It is a massive liquid petroleum gas ship, and if it blows up, where I live will be an ash tray (Laughter) and it will not matter whether this wall is there or not.

840 Obviously, the purchase of the fuel ship showed that it was the flat-bottomed boats that we need, because our harbour dries out, and it will make the requisition of vessels in the future – because these ones are not going to last forever – much simpler if we have a deep-water berth. So I applaud the PSD for that, and of course they will probably then build a marina in front of my house, which would be not a bad idea either. But that will generate other income.

845 The only other thing I will say about that is, progressively over the years, we have seen the ordinary Guernsey boatmen squeezed out of their traditional places. They were squeezed out of St Sampson’s when that was turned into a plastic boat park, and if you remember at the time, it was all rubbish we were told – it was going to bring huge trade and business to St Sampson’s, and St Sampson’s has died on its feet ever since. We have more charity shops now in St Sampson’s than almost anything. So you have to try not to mislead the public in your future plans, as the PSD –

850 the Board of Administration – have done in the past.

855 I think there is only one surviving member of the Board of Administration still in here. He used to be the Chief Minister and he sits over there, and he will remember all these wonderful fabricated Billets that were presented to the public, that all turned out to be rubbish, (Laughter) and St Sampson’s marina was one of them. The market was another, how that was going to become a really vibrant area: it is now dying on its feet. (Interjection) Well, I am sorry, but it is. The truth is unpalatable, but it is. We had a vibrant market; we no longer have one.

I am trying to pick out the positives to this, (*Laughter*) and we were doing rather well, right up until the dreaded word ‘commercialisation’ was mentioned right at the end of the Minister’s speech. Commercialisation is a way where you take a government-owned asset – that has been run quite well, actually; we have managed for hundred of years to run our harbours, and for several years to run our airports – and you bring in, really, a bunch of carpet-baggers to run the whole thing. They will cream off the profits; they will pay themselves salaries. All those costs will be passed on to the public. Then we will need the OUR to regulate it all. That will cost another whole bunch of money, and in the end the only people who will not gain anything from all of it will be the people of Guernsey, because they will just pay more and more to cover the cost of it all.

We have seen that through commercialisation of the Post Office, the Electricity Board, all of it. All the promises that were made at the time have all run into the sand. The OUR cost us eight times –

880 **The Bailiff:** Are you digressing, Deputy Jones?

885 **Deputy David Jones:** No, I am not digressing, because this... I did not mention the word ‘commercialisation’ until the Minister mentioned it, sir, and I am just showing what happened when we moved into commercialisation of other things. It has not been a cheap option for the public, and I do not believe any of these utilities are run any better today than they were when the States ran them. That is my real fear for the harbours, and again the Airport.

890 The report on the OUR said itself that it had been a failure. We are even talking about commercialising the Water Board. What for? One of the most successful companies in Guernsey, but we are going to add another layer of bureaucracy to it, hoping that it is going to run better, and all that will happen is the costs of running it will go up, and those costs will be passed on to the people of Guernsey.

895 It is a complete nonsense. We are too small, in my view, to have all these layers of bureaucracy. We are now going to, I think, have a port manager, and then we will still have the harbourmaster. You might remind me, sir, the Minister, if the port manager has already been employed – because if he has... I have heard that you are already employing somebody to take over those duties. I am not sure whether that is accurate, or not, but that is yet another layer of bureaucracy on top of all the bureaucracy we have already got.

900 The port users and the ferry companies, all the other companies, I believe, have received excellent service in the past from the States, whatever requirements they have wanted... When they built the dolphin at the end of the passenger jetty, all that improvement to the infrastructure was perfectly necessary and I think PSD have done a fantastic job of upgrading 4, 5 and 6 berths. If you go down below there – and any of you who have not had a chance to go down and have a look, it is a really interesting area – I notice there is plaque down there that showed that that part of the harbour was being constructed just the same year that the American Civil War was starting. So it is a really interesting area.

I do congratulate PSD. I live in dread of all master plans, not least of all this one because there is not much detail in it and it is only a plan to note.

910 I live in even more dread of further commercialisation, because the only result of commercialisation will be higher costs to the people of Guernsey. There is nothing in it for the people out there, other than higher charges and higher costs, and they will be passed on, as I say, through freight charges and all other charges.

The fuel berths, as I say, are a brilliant idea – let’s get on with that, and if we have to raise some money to do that, then I think that should be one of the first things that PSD should do, rather than before we do anything to do with the cruise liners or anything else.

915 Thank you.

The Bailiff: Deputy Trott.

920 **Deputy Trott:** Sir, just one point. Deputy Jones advises us that he lives in dread of all master plans. Does that include the Corporate Housing Programme, which falls neatly into that category, sir? (*Laughter*)

925 **Deputy David Jones:** Sir, not at all. The clue is in the title: it says ‘corporate’; it does not say ‘master’. (*Laughter*)

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Thank you, sir.

I welcome this Report and the long-term vision of PSD.

930 I am really pleased to see we have dispensed with the idea of building a cruise liner berth, but I am wondering if PSD have considered proposing we spend £1 million, or maybe even £2 million, on a tender ourselves to ferry passengers to and from cruise liners. Obviously, I am aware that cruise liners have their own tenders, sir, but most of them are less than half the size of the Herm ferry. They carry approximately 100 passengers, whereas the Herm ferry carries 250 passengers.

935 I am not a boating man, sir, but I suspect we could purchase a ferry, possibly even bigger than the Herm ferry, for £1 million or £2 million, so I would like the Minister's thoughts on that idea please, sir, bearing in mind that the cruise liner companies themselves occasionally complain that they cannot bring passengers ashore in their own tenders if the waters are choppy. I suspect issues regarding insurance may be a problem there, but I would still like to hear the Minister's views, please, sir.

940 I am also pleased to see that one of the four priorities, which Members will find on page 549, is to enhance facilities for cruise liner passengers arriving by tender. We are told on page 550, point 5.4, that PSD will work with Culture and Leisure, as well as Commerce and Employment, to enhance facilities and make improvements to the gateway to Guernsey.

945 Cruise liner passengers currently have to either stand in the pouring rain or the full glare of the sun whilst they wait to return to their ship. I stood on the quay recently and counted 310 people either sitting on the railings – which is very dangerous, because they could quite easily fall in the water – or they were sitting on the tarmac with their shopping bags, and they are in the full glare of the sun. I actually spoke to some of them, who told me they had been shopping in town for three hours and they were desperate to sit down because they were probably going to have to wait another 15 or 20 minutes for their tender to arrive. Therefore, I ask the Minister and his Board to please consider building a covered walkway with seating for cruise liner passengers.

950 I am aware the Report itself tells us, on page 85, that Albert Pier is considered to be a good landing point for cruise liner tenders, but I would just like to point out, sir, that this considering could take another two or three years, and during that two or three years cruise liner passengers will be disembarking and embarking at the current landing point. So whilst all this considering is being done, could we at least, in the meantime, provide a basic covered walkway with seating for cruise liner passengers? That would actually dovetail quite nicely with PSD's intention to provide a welcome mat for cruise liner passengers and make their visit to Guernsey a pleasant experience.

955 So I would like the Minister's thoughts on that, please.

960 The other thing I want to focus on, sir, (*Laughter*) is the issue of shipping our waste off Island, because that features quite heavily in the Ports Master Plan. To bale our waste at Longue Hougue and then transport it to St Peter Port Harbour by truck and container will be a logistical nightmare. Hundreds of journeys will be needed along a seafront that is already heavily congested, and that is before we factor in the additional 500 or 600 cars that will be emerging from Admiral Park on to the seafront on a daily basis when that development is finished.

965 Another logistical nightmare will be storing the containers at St Peter Port Harbour whilst they wait for the boat that will take them to another jurisdiction. All of that could be avoided, of course, if we ship our waste to another jurisdiction from St Sampson's Harbour.

970 So I was really pleased to see option 4, on page 94 of the Report itself, which tells us that a 200-metre multi-functional pier out to sea at Longue Hougue would solve all our problems, albeit at a cost of £71 million, the cost of which, of course, will increase every year we spend debating the options. So I am hoping the Minister will give me an assurance that his Board will be treating that option as a priority and that they are already compiling the case to apply for the money that will be needed to pay for the project.

975 If the Minister is not able to give me that assurance, can he at least please give me an assurance that his Board will do their utmost to bring proposals for their preferred option to the Assembly within the next six months? Because we cannot afford to allow this to drag on for years, as I know the Minister himself will appreciate.

980 I do have genuine concerns about these issues, sir, and I will look forward to the Minister's response.

The Bailiff: Thank you.

985 I can see that Deputy Gollop is bursting to speak, (*Laughter*) so we will have Deputy Gollop, to be followed by Deputy Green and Deputy Paint.

Deputy Gollop: I certainly did not meant to interject in Deputy Queripel's points, because he very much understands the needs of the people of the town.

990 Although I disagreed with some of what Deputy Jones said, I would agree there is a difference between the Corporate Housing Programme and this action plan. From a political point of view, the Corporate Housing Programme is generally about action, and this is still about a theory.

I certainly welcome the Report. I actually was a participant in some of the workshops – curiously enough, representing Social Security, and you might not see an obvious connection there, but it is all part of generating economic growth for the Island and employment for people who are unemployed, and I was pleased to see representatives of the Guernsey Disability Alliance there and other environmental and social bodies.

A lot of work went into that, a lot of key issues were identified. There were some changes. I think at one point there was an idea of moving the fish quay to St Sampson's, but I do not think that went down well with the fishermen.

1000 Nevertheless, I am old enough, at least I am long-served enough in this Assembly to have seen, as Deputy Jones has, Board of Administration plans – the waterfront initiative, Policy Council sub groups, a grand plan involving corporate banks – to reinvent the east coast and, so far, none of them came to anything.

1005 I think what we need this time is a kind of waterfront development agency – but hopefully learning lessons from where Jersey got it wrong – building on the future so that we do have the right mix of public transport, private car parking, improved utilisation of land at the North Beach, a more aesthetic environment and a more vibrant port, and more access to the port too. I was concerned at the hint that there may well be, for example, increasing security areas and fencing off round the ports, because I am not sure that is justified by the evidence.

1010 But I am encouraged to hear that some people in the business community are looking seriously at bringing forward initiatives as part of the vision, and I will support the Plan as far as it goes, but I think down the line I would like to put a more detailed critique.

1015 **The Bailiff:** Deputy Green.

Deputy Green: Sir, Members, rather similarly to Deputy Gollop... I agree with the sentiments that he has just expressed. This is an impressive overarching strategy for Guernsey's harbours. It does provide a much-needed vision for the ports and for the accompanying infrastructure.

1020 The issue of safeguarding our capabilities in relation to dealing with freight is, amongst others, one of the key strategic issues that we need to safeguard. That does justify a well drafted plan, and I think this is a well drafted plan, it is a good piece of work. But as others will no doubt say, the problem with this approach to government is that it is such an overarching strategy, it will always be open to the challenge of saying (1) where is the granular detail on this, and (2) how much is this all going to cost?

1025 Although I take the point that there will be some, perhaps a lot of capital investment that will be provided by private sources in this, there is no doubt that even to realise some of this Plan is going to require a substantial amount of public money, and that is money that we just do not have at the moment.

1030 All of this reminds us, I think, that there are costs to our community in maintaining the upkeep of publicly owned ports and their accompanying infrastructure, and there is no evidence, really, of... certainly, there is little or no return on the investment that we make in keeping and maintaining that public infrastructure.

1035 Unlike Deputy David Jones, I am entirely open minded on the question of commercialisation. I think if we can get the model of the regulation right for commercialisation in Guernsey, it could well work.

1040 So I would like to ask the Minister this, really: how does this plan really, truly, fit in with the standing resolution, in terms of looking at commercialisation of the ports? Does he agree with me that, actually, the option of commercialisation may well be a good option which could really ensure that we have a harbour and ports and infrastructure that will be truly fit for purpose for the 21st century? Can he give an indication as to when his Department, Board and himself will return to the States with their position on commercialisation?

1045 The other thing I would like to ask about is, very clearly, the implications of this strategy are enormous. The future of North Beach car park, the Careening Hard, the fish quay, many other matters are all in the mix. The focus is quite rightly on those things, and many people are very concerned about how this will join up with other aspects of Government policy, like the Transport Strategy and all the rest of it. Would the Minister agree with me that perhaps this Plan is basically over ambitious; and to what extent does he think that the majority of it can be realised in time?

Generally, I do welcome the Plan. It is certainly very necessary, but it does raise very many questions. For me, it does perhaps remind us that the model that we have for the ownership of the

1050 ports and the allied infrastructure right now is not the only one that could necessarily work, and there is a cost which is attached to the current model that we have.

The Bailiff: Deputy Paint, then Deputy Duquemin, and then Deputy Brouard.

1055 **Deputy Paint:** Sir, and Members of the Assembly, this is only a plan – nothing more, nothing less. I think we would be foolish not to go with it for the time being. Later, as each aspect of the Plan is looked at and brought before the Assembly, there will be plenty of time for everybody to look at the feasibility and the cost of every aspect.

1060 The cost is the most important thing: can we afford it? All my life as a seafarer working out of Guernsey, all that has succeeded to be done in the commercial aspects of the harbour is that it has become smaller. The roll-on roll-off berths, the extension to the number 4 berth, the fish quay, have all reduced the size of the harbour, although I must say that the efficiency has improved to what it was.

1065 We are getting very close to saturation point in both harbours – not so much they are not big enough, but because the shipping is much, much bigger than it used to be. St Sampson's Harbour used to have ships of 250 tonnes bringing cement in. Now you have tankers bringing in something like 4,000 tonnes and are the maximum size for the port, which is 80 metres. So I do believe it is very right to look at everything now, and it might take 40 or 50 years to achieve everything, so we have to look at it; it would be foolish not to.

1070 I think it is very, very right to look at this at the moment, and then this Assembly can debate the way forward as things go on.

Thank you, sir.

The Bailiff: Deputy Duquemin.

1075

Deputy Duquemin: Thank you, sir.

1080 Mr Bailiff, I would like to start with one on those annoying business acronyms: KISS. Sir, many will realise KISS is short for 'Keep it Simple, Stupid', an ethos that I, for one, often embrace, and a short acronym that I will keep at the heart of this simple speech on PSD's Ports Master Plan.

I do not want to repeat everything that my Minister, Deputy Luxon, has outlined, but I do want to use (1) Keep it, (2) Simple and (3) Stupid, as the headings for the three short personal points that I would like to make.

1085 So, in reverse order, let's start with 'Stupid'. Sir, even though it is half term, I do hope that my two children are not listening to the radio today, and for many reasons I do hope that they will not want *Hansard* as bedtime reading anytime soon. The reason is 'stupid' was one of those overused words that is now firmly banned in our family, but today – apologies to them – I did check its definition in the dictionary and the word 'stupid' does fit the bill for what I am going to say.

1090 Sir, we will start with 'stupid'. The Report in the Billet and the Ports Master Plan itself clearly state and restate the importance of a deep-water fuel berth that meets the non-negotiable international safety standards. In the Billet, it highlights the importance of, quote:

'Finding a long term solution to Guernsey's liquid bulk requirements and ensuring the long-term viability of fuel deliveries.'

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A deep-water fuel berth is not one of those nice-to-haves; it is a must-have. Purchasing the two flat-bottomed fuel tankers was, I am sure Deputy Trott would agree, a wise move, but it was only a short-term fix, not a long-term solution. (**A Member:** Hear, hear.) Travelling on board the *Sarnia Cherie* as the ship entered St Sampson's Harbour, as I did last year, was an exciting experience. From the ship's bridge, the words 'thread', 'eye' and 'needle' spring to mind.

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Deputy Dave Jones described very eloquently some of the issues surrounding St Sampson's Harbour, but perhaps it was a little too exciting, because fuel companies – and in a world of consolidation there are fewer and fewer different ones for Guernsey to rely on and perhaps play off against one another – do not want excitement. They want everything to be drama free, incident free; they do not want to – they cannot afford to – sail close to the proverbial wind.

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We would be stupid to ignore the advice, ignore what we already know, and do nothing. We would be stupid – I assure Deputy Lester Queripel of this – not to start work on a fit-for-purpose deep-water solution now, and when we, the Public Services Department, come back to the States, as we will in the capital prioritisation debate, looking for the necessary pounds, shillings and pence to make it happen, in my opinion the States would be stupid not to put it right at the top of the priority list.

1110

Moving from St Sampson's to St Peter Port, the Billet and the Plan itself also highlight the importance of having a harbour terminal and, crucially, a security line that meet international laws.

1115 Sir, I mourn the 9/11 tragedy for a number of reasons. Most of all, I mourn the terrible loss of life in New York, of course I do; but I also mourn the loss of Aurigny's no-nonsense inter-Island gate at our old airport terminal, where you could just rock up five minutes before the flight, grab the handwritten boarding pass from the familiar chap at the check-in and stroll straight out to Joey, with no x-ray machine in sight. Those days have gone: 9/11, sadly, changed that for ever.

1120 Sir, just like our airport has had to adhere to international laws and standards, our harbour needs to do the same, and sadly you can bet that these will continue to become ever more stringent, particularly when – *when*; sadly, not *if* – a terrorism attack targets ships on the sea instead of planes in the air. Sir, we would be stupid not to make certain that not only is our harbour fit for purpose but it also continues to meet international maritime laws.

1125 I am now going to move on to 'Simple', and this time I am going to concentrate on St Peter Port, and in particular a theme, a graphic, that appeared on page 27 of the Ports Master Plan, or at least the draft copy that I still refer to here.

1130 The map of St Peter Port is overlaid with three different blobs of colour. The colours are not significant, but one is red, one is brown and one is yellow. What *is* significant is the six words that appear next to these blobs of colour. In a Report of many, many thousands of words, I consider these six words to be the real Master Plan, the real game changer. Sir, it is simple – yes, very simple – but it is clever. One is called Guernsey Gateway, one is called Castle Pier and one is called Waterfront enhancements.

1135 Guernsey Gateway is, as I just mentioned, all about safeguarding the port operations, but it is also about maximising the visitor experience on arrival and departure. Many of our tourist visitors arrive at the harbour and they deserve to have a red carpet – or should that be green carpet – laid out to them, to say '*Bienvenue*' when they arrive and '*À la perchoine*' when they leave.

1140 Castle Pier is all about building on the historic landscape and focusing on the fishing fleet, but I would go further, and with my Culture and Leisure hat on, we have even given Castle Pier, this area, the name Heritage Quay. Castle Cornet is the jewel in our crown and we need to build a complete heritage tourist experience with the Castle at its core. Culture and Leisure, together with Commerce and Employment, have already had a three-way meeting to discuss the opportunities highlighted by the Ports Master Plan, including both the Guernsey Gateway and Castle Pier.

1145 Moving on to the third blob of colour, which was over our wonderful town seafront, 'waterfront enhancements' are the two words that will encourage us to further improve on something that is, I admit, almost perfect. Our St Peter Port town seafront is wonderful, the envy of many other places, including Jersey. In a similar way to Deputy Gollop, when he answered Deputy De Lisle's point, the Jersey waterfront is an example of how *not* to do it, not *how* to do it, and we must do all we can, in a Guernsey way, to further enhance the beauty and appeal of our seafront.

1150 Often in every day life, we see a business idea or even somebody's house renovation as simple, and we say something like, 'That is so simple, but effective.' Well, the same can be said about this particular section of the Ports Master Plan. It *is* simple, a simple mindset to guide us towards creating three distinct yet overlapping areas of our port. To borrow the Ronseal cliché, do exactly what they say on the tin.

1155 Sir, when he opened this debate, my Minister on PSD, Deputy Luxon, referred to the Ports Master Plan as, quote, 'a visionary canvas upon which the States of Guernsey Departments can conceptualise and fit their raft of developing strategies against.' I would add to this and say that these three blobs of colour mean that we do not have a blank canvas. These three blobs of colour are a sort of simple paint by numbers to ensure that we do not continue with *ad hoc* graffiti, but we create a 21st-century masterpiece: Guernsey Gateway, Castle Pier and Waterfront enhancements.

1160 After 'Stupid' and 'Simple', I am now going to move on to the third section of the short trilogy, and that is 'Keep it'. It is important that not only PSD but other Departments – I have already mentioned Culture and Leisure – keep it: keep the Ports Master Plan at the forefront of our minds and use it as a catalyst for co-ordinated improvements. But being realistic, and to build on one of the points that Deputy Paint mentioned, might take a generation or more, but we will work towards the aforementioned simple single-minded vision. It is also important that we keep it on our desks, not put it in a filing cabinet, until we have put a tick in the all-important box against the aforementioned priorities of the St Sampson's deep-water berth and the St Peter Port security line.

1170 So, in summary, 'Keep it Simple, Stupid.'
Keep it. The States have often been accused of creating many reports, visions, strategies, and not acting on them, or at least only doing so in silos. The Ports Master Plan – let's keep it at the forefront of all of our minds, PSD and *every* States Department.

Simple. ‘Guernsey Gateway’, ‘Castle Pier’, and ‘Waterfront enhancements’: six words. Simple, but a massive opportunity to make a real difference.

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Stupid. The deep-water berth in St Sampson’s and the security line in St Peter Port – neither are nice-to-haves; they are both must-haves, and we would be stupid to ignore them as a priority.

The Ports Master Plan: Keep it Simple, Stupid.

Thank you, sir.

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The Bailiff: Deputy Brouard, then Deputy Storey.

Deputy Brouard: Thank you, sir.

It is one of the awkward things with a debate like this, where we do not have any propositions as such, just to note, so we really do have to give our steer to PSD, but for the future.

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I am getting most of my material from page 549, and the interesting... I have got two main points I would like to make.

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First of all, I am not so sure that a pier coming straight out into the Roussel is necessarily the best way for a deep-sea berth, and I would like to see some consideration given to some of the earlier plans whereby reclamation was part of the idea, possibly at Black Rock, where you could have... because we are going to need, in the future, a replacement for Longue Hougue, because once Longue Hougue is reclaimed we are going to need another place for our inert waste material from building construction and from ground works etc. So we do need to have another place where we can continue to put that material, and the idea of combining that together with perhaps a deep-sea berth would hit two birds with one stone, much as we have done with Longue Hougue. So I would just like that one to be taken forward as well.

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Really pleased with the enhancement of the fish quay, and that comes, as well, as part of the maintaining the harbour as an important source of employment.

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The other part of the main priorities... some of the priorities are also competing goals, because they compete against each other and we have to be very careful in that competition. What I do not want to see, and I think from the Castel, Deputy Duquemin mentioned it... was the Jersey waterfront. I do not want someone to come along and say, ‘Well, we have just built an 18-storey hotel on the Careening Hard, and to enhance St Peter Port we are now going to put a palm tree and a bench.’ The two things have got to be looked at holistically and not as odd competing lines, (**A Member:** Hear, hear.) because my main fear is that we are going to be looking to sweat these assets on one side and... giving very little scant regard to the environment and everything else, and the very reason why St Peter Port is, I think, a destination for cruise ships is because of what it looks like – it is a pretty place, it is slightly quirky – so, please, be very careful, in developing it, that we do not actually shoot ourselves in the foot and destroy the very thing that we have actually got.

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Just to recap, sir, please, just reconsider on the long-term deep-water berth, to perhaps use some reclamation at the same time; and secondly, be very careful, in trying to sweat the asset, that we do not actually drive the person to the ground.

Thank you, sir.

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The Bailiff: Thank you.

Deputy Storey, then Alderney Representative Jean.

Deputy Storey: Thank you, sir.

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First of all, I would like to congratulate PSD on coming forward with this long-term plan. I think it is important because projects in the ports are likely to be expensive and we need to make sure that any project that we do embark on and spend a lot of money on actually does fit into a plan which does not mean that, later on, we decide, ‘Well, that money we spent was wasted; we need to knock it down and start again.’ So I think it is vitally important that we do have a long-term plan so that we know where we are going and all the individual projects can fit into it to build what is, at the end of the day, what we have set out to achieve. So I congratulate PSD on that.

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But I would echo some of the points made by Deputy Brouard and by Deputy Dave Jones. I do think that we need to be careful about how we proceed on this. I was pleased to hear some of the points that Deputy Duquemin made in his speech because we do have, at the moment, a very historic looking port which is extremely attractive, and especially for a commercial area. We are one of the few places that I can think of where you have got commercial docks that look quite attractive. Docks find it very difficult to look attractive, and we have got something that is rather different.

1235 The bit that concerned me, to a certain extent, was the mention of commercialisation. I do not mean from that commercialisation of particular services – I think that that can be managed, provided that the mandates are right; what I was concerned about was requiring private money to operate additional services within the ports area. What concerns me is that if we get to that sort of stage, we are going to end up with big blocks of sheds or hotels or other businesses on the front which effectively damage that precious view we have got from the sea, looking towards St Peter Port.

1240 It concerned me that, when talking of the discussions that have been taking place between Departments, I did not hear – maybe I was wrong, but I did not hear mention of the fact that Environment Department, especially Planning, had been involved in the drawing up of this plan, because I see them as having a vitally important role in being able to control what goes on in St Peter Port, to protect the environment that we currently enjoy and which is the magnet for people coming to this Island.

1250 I am pleased that we are thinking about how we need to go about making sure that our lifeline to the outside world, the docks, is being considered and looked at, and we are looking to how we can maintain and improve our lifeline; but I hope that it is going to be done in a way which does not destroy the benefits that we currently enjoy, and the last thing we want is a waterfront that looks like St Helier. (**A Member:** Hear, hear.) (*Laughter*)

1255 So I am supportive of PSD’s approach for coming up with the Master Plan, but I do hope that all those plans, as they are brought forward, do not destroy the historic nature of our docks that we currently have and we do not allow commercial activity on the waterfront which is going to destroy the jewel in the crown, as it has been referred to. That is so important, both to residents of the Island but also to our vital tourist industry. That is going to be a delicate balance, and I do hope that the people who are managing the Master Plan get Environment and the planners involved at an early stage so that we are able to discuss the overall implications of these developments as they come forward as part of that Master Plan.

1260 Thank you, sir.

The Bailiff: Thank you.
Alderney Representative Jean.

1265 **Alderney Representative Jean:** Thank you, sir.

In Guernsey, I see how important the ports and harbour Master Plan is: it is crucial.

In Alderney, our own harbour is suffering from less use and recession. We have a good fit-for-purpose commercial quay, and we received help from you there and we are very grateful for that.

1270 In time, the new harbour office will be complete. We need to try and find a way to get a marina developed in Alderney and move Alderney well into this century. It is, in many ways, our fault we do not have a marina. Alderney is small and development on land that comes with a marina has always met with a lot of criticism and difficulty. We must continue to look at finding a way that is acceptable to the population.

1275 The States of Alderney must keep its eye on arrangements for fuel delivery and cost of fuel to the population as a whole, as in Alderney fuel poverty is a reality and because of it electricity costs are high.

Pilotage is also an important issue for the harbour staff. We must train some of the present staff to take on these roles so that we are as independent as possible.

1280 As your vision is one of variety investment in Guernsey ports and harbours, it is clear to me Alderney must look towards its own destiny, and I believe this will increase the use of our harbour and increase our own security.

Our airport is also very important. The States of Alderney should take an interest in the cost of avgas for sale there, as the price of this, if it is not competitive, has in the past lost us much trade in sales and also stopped light aircraft from visiting.

1285 We must look after ourselves in this life, and to an extent I am delighted to see your Report; and for Alderney we must take our own destiny in our own hands and be positive and do the same.

Thank you, sir. Thank you, gentlemen.

The Bailiff: Deputy Brehaut.

1290 **Deputy Brehaut:** Thank you, sir.

When I was in what we call the Great Hall yesterday, I... Every time I am in there I find it ironic that we demolished one of the last remaining colonial prisons, a historic building, and then what we did is recreated the arch within a new building. That has always struck me as being

1295 hugely ironic, that you say, ‘This is how we value our heritage: we demolish it and then reassemble it in a pastiche way.’

The point I am making is we have to be careful, that we do not appreciate the value of what we already have, and there are two significant areas, I think, that we overlook or we disregard at our peril. One is the Modelley and I would really caution the PSD in doing anything with the Modelley-ot Pond. I think non-locals may know it as the ‘Model Yacht Pond’, but please do not touch the Model Yacht Pond because – I am making a serious point – I think there is a case, actually... It may be seen as something of an Edwardian folly, but generations of Guernsey girls and boys have gone down there. It is an introduction to sailing. It is a place that is not lost to the car, and one of the very few spaces where you can actually take children and play, and they can enjoy themselves within St Peter Port – because the whole of St Peter Port has become a secure area now. When I was a child – which is not that long ago, I suppose – we used to fish under the new jetty. You simply cannot get under there now.

1300 The other one, which I find an odd observation – it says ‘find uses for the Careening Hard’. It has a use: it is the Careening Hard. It is what it is. If we... Hearing Deputy Darren Duquemin’s speech, which is we value the heritage value of Castle Cornet, I would say that the Careening Hard is of equal value. I understand it is of that width so sailing vessels could be laid on their side and then that balanced the masts on the plinths on either side.

1315 People do play around, they do muck around in boats, and the moment you put a boat on a pontoon, then that comes with a berthing fee and charge, so let’s ensure that boating is not an exclusive... is not out of reach of people who simply want to muck about in boats, pull their boat up onto the beach and do just that, and not have to tie it to a pontoon and that becomes costly.

Perhaps it may seem a small, if not trivial thing, but I am concerned that parts of St Peter Port, respectfully, are becoming mausoleums. You cannot go anywhere without finding a granite bench. It is well meaning. I am sorry, it may offend people in saying it. It is well meaning, it is well intentioned, but it becomes very... If you have... and as with my case, when I took my in-laws to, as I thought, sit and watch the boats go by in town – *you* try doing that and finding something you can actually sit on for any length of time that is comfortable.

1320 So I hope that the PSD, who have the responsibility for the ports, seriously think about disability access. You cannot sit on those seats. If you take someone who is not able to support themselves, the posture... you cannot sit on those seats at all, so perhaps... and I know that St Peter Port Douzaine are seriously looking at that, but have proper comfortable seating areas to open up the port to uses other than commercial, if I can put it that way.

Thank you very much.

1330 **The Bailiff:** Deputy Bebb.

Deputy Bebb: Thank you, *Monsieur le Bailli*

1335 Members will probably know that I was the church warden at the Town Church for six years in total, and one of things, because of that building having always been there, that we frequently forget, and the astounding thing about that building, is its sheer size. It is unbelievably large in comparison to other churches on this Island, and the biggest contrast is in the size of the Church of St Helier.

1340 On the wall of the Town Church, carved back in the Middle Ages, is the head of a sheep, and that head of a sheep is there as a commemoration to St Blaise, the patron saint of wool. I know that we feel that we may be deviating a little, but I will get to the point. (*Laughter*)

1345 Wool was the most important import into this Island. It generated wealth on this Island beyond measure – an astounding economic feat that we can only dream of in this day and age. Wool was bought from the UK and sent to France. They would knit it and then we would actually get it back and we would sell it off to England. We became the trading post between France and England and we made vast quantities of cash from it. The Town Church’s size is testament to the amount of money that was being made from wool.

The Government’s reaction to this was to stop men from knitting, because they were making too much money knitting instead of going out and fishing. (*Interjection and laughter*)

1350 **A Member:** Has the Deputy been on Wikipedia again, sir? (*Laughter*)

Deputy Bebb: What I would say is that of course the source of that wealth and the reason for that wealth coming here and nowhere else is because of the natural harbour. People have talked about how wonderful it is and how historic it looks and all the rest of it, but none of that was a consideration when it was being built. The only consideration was whether it was functional and

1355 whether it was actually profitable. It is astounding that we actually have a very attractive harbour, and I would agree it is, but it is important that we keep in mind what is commercially viable, what does make sense in terms of actual monetary value.

Deputy Luxon, in his opening address, made reference to a whole host of plans from the Government: the Strategic Asset Management Plan, the Land Usage Plan, this plan, that plan...
1360 Indeed, sir, I remember Deputy Fallaize saying previously that we were swimming in plans. It does bring to mind that, as Ronald Reagan said, the 10 most frightening words in the English language are, 'Hi, I'm from the Government and I'm here to help.'

I would actually suggest that the best way to assuage the fears of Deputy Jones, in relation to having everything done... There were two fears that he had. The first one was an additional layer
1365 of bureaucracy that was created, and some say that commercialisation is the answer to that, and of course then becomes... Deputy Jones raised the question as to whether commercialisation was the best option.

But of course there is one other option, and that is privatisation. Private companies *can* do these things. They will generate a profit from it and that results in people having to pay for the services that they use, and in all honesty that very much fits in with FTP. We are asking people to pay for those things that they make use of. Therefore, I would say that the harbour Master Plan, as it stands... wonderful – we have noted everything that needs doing and that could be done, but I would ask PSD to be bold and decide that, on occasions, Government is not best placed in order to do everything, and really we have nothing to fear from private enterprises entering the Island and doing what they have done for centuries on this Island, and previously very successfully, without Government involvement.

Thank you.

1380 **The Bailiff:** Deputy Trott, and then Deputy Laurie Queripel, then Deputy Le Tocq.

Deputy Trott: Thank you, sir.

I always enjoy the Housing Minister's references to the Board of Administration, sir, particularly when he repeatedly fails to recognise that old Committee of the States' enormous successes, and one I refer to, of course, is the QEII Marina. The QEII Marina is not only one of the most profitable divisions of the harbours, but it is also, of course, modern and progressive – it is a thing of its time. Many of us hark back to the days... I have spent a lifetime fiddling around with boats, sir. In fact, I once even had a mooring in the Careening Hard. In those days, a clinker-built boat with a single engine on the back was all most Guernsey people could afford, or indeed wanted. Now, of course, it is very different, with modern fibreglass boats being the thing of the day, and that is one of the reasons why the QEII Marina is full and one of the reasons why it is profitable and has been a resounding success.

But if you look back at the history of Guernsey over the centuries, it has all been about reclaimed land, in terms of real value. Let's look at the Crown Pier, and indeed the Albert Pier. That is reclaimed, or at least partially reclaimed land; and now, in 2013, I would argue, I would contest, that the most valuable piece of real estate in Guernsey is probably the North Beach car park. That is an area of land – reclaimed land, or partially reclaimed – that is of enormous value and is incredibly under-utilised, and it seems to me that that is one area where real value can be brought to the ports without disrupting, in the long term at least, any car parking issues.

We are often advised of the importance, and quite rightly so, of the need to diversify, and one of Guernsey's most successful home-grown companies is a company called Aquastar, that builds boats. If the right facilities were in place, there is no doubt in my mind that other boat builders, such as Fairline and Sunseeker, may consider Guernsey as an ideal place to base their businesses. In fact, Fairline is now owned, or at least controlled, by a Guernsey resident – it is part of Better Capital and it is part of Jon Moulton's business 'empire', if I can use that word – and indeed the people who run Sunseeker are well known to the Island. So, having a greater facility for boat builders, the like of Aquastar, is an obvious way to both diversify and indeed to attract investment.

On the subject of attracting investment, clearly superyachts play a part in that, because not only are superyacht berths in short supply in this region, but they bring with them all sorts of other inward investment, and that, I am sure, is obvious to most. But there is one aspect of marina usage that anyone who has spent any time on the sea will tell you is of the greatest value of all, and that is 24-hour tidal access, and marinas such as Saint-Quay-Portrieux in North Brittany are a perfect example of a marina that you can get into 24 hours a day. Ours, of course, are tidal and most others are. So the opportunity to build a superyacht marina that was not tidal creates, in my view, a very significant benefit, and probably much greater benefits than the building of a cruise liner pier, for instance.

I hope those comments are of use to my colleagues and friends on the Public Services Department, and I once again compliment them on an excellent vision – a vision that they will be the first to admit is not theirs in isolation. It is a work that has been ongoing for many, many years and indeed it is a living document that must continue to evolve as we continue on our journey.

1420 Thank you, sir.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

1425 I rise to agree with a number of the points that were made by Deputy Dave Jones, Deputy Storey and Deputy Brehaut. I too shudder when I hear the term ‘commercialisation’, particularly when it comes to the commercialisation of vital strategic assets – assets that are vital to the wellbeing of the community.

1430 Deputy Bebb went one stage further: he mentioned privatisation. Well, I will give him one name: Guernsey Telecom. Guernsey Telecom was sold, privatised. Now, vital strategic assets, vital strategic infrastructure is out of the hands of public control and Government control.

Sir, also I am bit concerned about the term ‘master plan’, because a plan normally has very specific directions, very specific dates and very specific costings attached to it, and this is definitely more of a vision.

1435 Also, I find the term ‘master plan’ rather ominous. It always makes me think of old films with arch villains and evil geniuses in them, such as Professor Moriarty, (*Interjections and laughter*) Doctor Evil or Emperor Ming, or something like that. So I think it is more of a vision, sir.

1440 Also, sir, I do agree with Deputy De Lisle – the town’s seafront is an integral part of the town’s and St Peter Port’s, and in fact the Island’s community, and it must not become a separate entity; it must remain an integral part of the town and community psyche.

The fish quay, sir – I am hoping that Deputy Luxon can reassure me about this and say these things have been sorted out, but the last time I visited the fish quay... and this is where I think sometimes that we need to try and get things into proportion and bring some proportionality to things. We are only little, Guernsey, and we do get a bit grand sometimes. So, in regard to the fish quay, I think we need to get the basics right first. The last time I visited the fish quay, there were no safety ladders on the floating quays, the fresh water tap was not working, and the fishermen had great concerns about the security of the area. Those things may have been addressed, and if they have I will be very pleased to hear that, but I wonder if Deputy Luxon can assure us that they have been addressed, because I think we need to get the basics right before we start getting into grand and master plans.

1450 That is it, sir. Thank you ever so much.

The Bailiff: Thank you, Deputy Le Tocq.

Deputy Le Tocq: Thank you, sir.

1455 I rise primarily just to pick up, first of all, a few comments made by Deputy Brehaut and alluded to by others.

1460 The idea, sir, that modern buildings and scenery should be kept in aspic purely for nostalgia’s sake is actually a very, very modern idea, and in fact the vast majority of our old buildings in Guernsey, including the castle there outside and all our parish churches are combinations of previous generations’ attempts to take the old stone and the old ideas and to reincorporate them into something new as society changes. In fact, that is what makes them attractive. It is only today we have this sort of strange idea, perhaps, that we need to keep a plethora of buildings exactly as they are, a snapshot of today – and so I disagree with that. I welcome a plan that looks to keep the best of the old but also to put in some new as well.

1465 Much has been made, sir, of the beauty of our Island approach, our – to use a term that is popular perhaps sometimes – eastern seaboard, our waterfront here in Guernsey, but we have something that was beautiful many, many years ago and still is today. In fact, not much has changed, I would say, in those years, in terms of its beauty; there are certain buildings that have changed.

1470 Only a few months ago, I was reading John Wesley’s journal. John Wesley, the founder of Methodism, visited Guernsey in 1787, and quoting from his journal, he says here:

1475 ‘... after a very pleasant passage through little islands on either hand, we came to the venerable castle, standing on a rock about a quarter of a mile from Guernsey. The isle itself makes a beautiful appearance, spreading as a crescent to the right and left; about seven miles long and five broad; part high land, and part low. The town itself is boldly

situated, rising higher and higher from the water. The first thing I observed in it was very narrow streets and exceedingly high houses.’

1480 John Wesley actually ended up staying in Guernsey far longer because of the bad weather, which is the reason, I think, there has been so much Methodist influence for many, many years. *(Laughter)* But you can see there that even in his day it was viewed as a very beautiful place.

1485 Some years ago, sir, my family took a holiday in Skiathos, and one of the guide books we had there described the town of Skiathos in the Aegean as the St Peter Port of the Aegean. I was astounded at that, but obviously our town is not just admired by ourselves and Jersey men, *(Laughter)* it is also admired further afield, and I for one would like to see that protected but also enhanced, and I believe that the Ports Master Plan goes some way towards doing that and it is exactly what it says on the tin.

1490 I would refer Members to page 551 and paragraph 7.1, where the Public Services Department states:

1495 ‘The Ports Master Plan does not set out a prescriptive series of projects and States support for this report will not grant approval for any works; rather it provides a framework for setting out the Ports’ aspirations, for the medium and long term, and highlights where areas of opportunity could achieve corporate and strategic objectives. This will assist in informing the consideration of capital projects and planning applications made as and when necessary.’

1500 So simply I want, in particularly my role as Home Minister, to give credit to the Public Services Department for all the work they have done so far in co-operating and consulting particularly with Guernsey Border Agency and our law enforcement officers, because obviously there are things that need to change, it has already been spoken about in debate, and that is going to continue. We have responsibilities when it comes to port of entry, we have got responsibilities to people who operate businesses in that area, and I am very grateful for the co-operation so far and the consultation, which I know will continue.

1505 As we seek to provide facilities for those who are coming to Guernsey, whether to do business or whether arriving as tourists in the Island, we want to provide the best possible facilities, and in order to do that we need to have a harbour – harbours, indeed – that generate and have a good balance of generating income and providing business facilities for the people operating in there, and retaining the beauty that is the approach to Guernsey that St Peter Port certainly gives.

1510 So I welcome this, sir, and I commend it to the Assembly.

The Bailiff: Yes, Deputy Quin.

Deputy Quin: Thank you, sir.

1515 A very interesting Report and a lot of talk about iconic buildings, but I ask the Minister: the most important and iconic of the buildings is obviously the White Rock Café. **(A Member:** Hear, hear.) *(Laughter)* I have read this through many times and I find no mention of this venerable place, this real... what I would call the seat of Government. *(Laughter)*

I declare an interest, yes.

1520 Yesterday, Deputies Trott, Gillson, Sillars and Quin held court down there, and the inmates who were there – I will call them inmates because they spend more time there than the prisoners do in prison *(Laughter)* – came up with some very interesting points, and as Deputy Jones pointed out to me once, this is in fact the real seat of Government.

1525 For those who are early risers – and Deputy Paint is a breakfast-taker there – I do not want to have to organise marches along the front to save our café. Could I have assurances that that will be part of the Master Plan? More master than plan.

Thank you.

Deputy Brehaut: Sir, I understand it is to become the Blanche Pierre Wine Bar. *(Laughter)*

1530 **The Bailiff:** Does anyone else wish to speak? No?
Deputy Luxon, then, will reply to the debate.

Deputy Luxon: Thank you, sir.

Some very interesting feedback, which is what we asked for.

1535 Thank you to Deputy O’Hara. He is right about the Victorian approach. This Ports Master Plan, I think, does try and reflect on what we have been given from our forefathers, and perhaps it is now our generation’s time to make sure that we make some investments and look to make some

evolutionary, revolutionary steps in terms of the facilities that we make available for future generations. It is very much a jigsaw chessboard.

1540 Deputy De Lisle, absolutely right about economic prosperity. It is vital that we actually allow that to happen, both in terms of how our town functions at the moment but also to try and find new economic activity.

The cruise liner business – we estimate that about £2 million of on-Island spend will generate from the 100-plus cruise liners that are due to visit us this year, with probably about 60,000 people landing. It is a very important part of our tourism offer.

1545 Deputy Dave Jones... It reminded me – our Bailiff accused Deputy Stewart of being very *chipper*, and I thought Deputy Jones was going to be the *chopper* when he started making his comments. I have not seen him move so quickly as he did when Deputy Trott made the point about the Corporate Housing Plan. He was up like a shot; it was quite incredible.

1550 The harbours are 738 years old, and again they have been developed over that period but it has been an *ad hoc* development, and what we have to do is now try and get a grip of this and try and make sure that we make some of the right investment decisions to give us a functioning port going forward.

1555 Deputy Jones made an awful lot of points, most of which we probably will not follow up, to be honest with you (*Laughter*), but nevertheless they were very, very interesting.

1560 Commercialisation came through several times, and I think we all now realise where Deputy Jones stands on the concept of commercialisation. What I will say is that PSD Board clearly have been mandated by the previous Assembly to look at the commercialisation of both the airport, harbour and indeed Guernsey Water, and indeed to look at Guernsey Water and Guernsey Electricity tie-in.

What we have been doing is concentrating on trying to understand the principles behind commercialisation, which include privatisation and other hybrid options. So that work stream is underway. If I said that I was hoping that we would be bringing back at least some of those commercialisation options to the Assembly by the end of the year, I might be being a little optimistic, but that is our intention and I have included that on the forward planning of the Policy Council for future States debates.

1570 Deputy Jones also wanted to ask about the harbour team. At the moment, or up until today, we have had a harbourmaster and a deputy harbourmaster. We will have two senior roles going forward: there will be a harbour director and then there will be a harbourmaster. The harbourmaster will still do all of the statutory things that he has to do. It is a lady who has been appointed as the harbour director. She started with us just a month ago, a very capable lady. It is all part of the future, Deputy Jones. (*Laughter*)

1575 Deputy Lester Queripel wants us to buy a tender for £1 million to £2 million – the calculator is busy again. No, I do not think that is a good idea. I do not think Government should be looking to operate private sector activities. If any of the cruise liners, visiting boats, wish to use some of the private ferry firms, then that is a matter for them. You are absolutely right about the facilities, in terms of seating and shade, and it is very much a priority that we get busy, and those plans are being worked up, as we speak, as a priority.

1580 This is a great success story. As I said, over 100 cruise liners – and you have seen some of the significant size of vessels coming in this year already. That is a fantastic success ratio, and we have got to make sure that we nurture that and develop it.

1585 Deputy Gollop: you talked for quite a while, Deputy Gollop, and unusually I made very few notes. I think your main point... That was meant to be a compliment, but your main point was about security fencing. There is no way that the PSD Board or Department are interested in seeing any fencing of the sort that we have got now down at the Havelet Bay swimming pool area. That is not the sort of thing that we think will enhance the area. What we have to do is to make the area, our commercial harbours, secure in terms of allowing the staff to get on with their job, and safe; but we do not want any ugly fencing to achieve that.

1590 Deputy Green, thank you very much for your thoughts about it being an impressive vision; and yes, we did not pretend that it was an absolute plan that we can implement tomorrow. Ninety-eight per cent of the goods coming into the Island come through the harbour; 33% of our visitors – one third of all visitors, passenger traffic – actually comes through the harbour.

1595 Costs will be a very important issue. We have been talking to T&R about funding and we will have to go back to them. The Island Infrastructure Plan and indeed the Strategic Asset Management Plan are going to be important in this area as well.

Sir, Deputy Paint reminded us that every single item within this Report will come back to the States for approval at some point, and that is of course true. He mentioned about saturation point

of the harbours, and as I said earlier, our harbours have served us incredibly well over many years and have been a great part of our economic success now.

1600 Deputy Duquemin – I will not reflect too much on his ‘stupid’, ‘simple’ and ‘keep it’, but what I can say is there are four specific projects that we basically are going to progress with, and of course what we need to make sure is that we do not just let it become another dusty report. All I can say is that I am a reasonably tenacious individual and my Board is up for it, and we are determined not to just allow it to go onto the shelf and stay there.

1605 Deputy Brouard, you mentioned in terms of land reclamation. I also sit on the Waste, Water and Stone Steering Group, which I know Deputy Fallaize will be delighted to hear, and we are looking at the issue of where next for inert waste. Whether or not land reclamation to create a fuel berth is the right thing or not I do not know, but it is there on our list of things to look at.

1610 Deputy Storey, you made a lot of points and I think the one I would like to pick out is the small ‘c’ commercialisation – the commercialisation issues which Deputy Jones has made his points on were different to the ones that you wanted. You wanted to talk about overdeveloping, almost, the harbour areas. All I can say is that seaboard is the jewel in our crown. What we need to do is to nurture it and protect it, but at the same time what we have to do is we have to make sure that we exploit the opportunities for making sure that we are getting best economic value out of the area.

1615 The Environment Department was involved in the drawing up of this plan, they are involved, and of course the new development plan, the Strategic Land Plan, is all being referenced to this, so we will not miss that.

I understand your point about it not looking like St Helier, please, at any point. I still travel to Jersey quite a bit and I can assure you that I have not met a Jerseyman or woman yet who does not remain very envious of what we have, in terms of the gateway to our Island, compared to St Helier.

1620 Alderney Representative Jean, I think your point was change. You need to balance the issue for change for need and for heritage, and I acknowledge that. You talked about the importance of the harbour and the airport, and indeed some of the issues with Alderney Electricity and indeed avgas, and I am very, very aware of Alderney’s current fiscal economic and depopulation problems, but it was great to hear that your States is looking at self-sufficiency, Alderney Representative Jean, and I am sure Guernsey, through the ALG that has been formed, will look to support and welcome you.

1630 Deputy Brehaut, you are not the first person to remind me to keep my hands off the Model Yacht Pond. Deputies Sillars, St Pier and anybody else within reach has made that point very clear. It is silent, and it is silent because we knew that we did not want this document to get thrown straight back at us. There are no plans for the Model Yacht Pond, but I would say when you listen back to Deputy Duquemin, he made the point about the whole of the castle emplacement being an opportunity for cultural and heritage opportunities. We have to be prepared to consider what we can do to best use the different facilities we have got. Careening Hard is another one. It may well be aesthetically attractive to leave it as it is; but at the same time, if we want to pay for some of these other things, we may well have to look at some of these areas to get better value.

1640 Deputy Trott reminded us about the great success that the marinas have been, and I do not disagree with him, and of course North Beach is a massively under-utilised opportunity, if you like. Some of our harbour areas really should not be touched, but the North Beach is something that, if we want to exploit value, we have to look at.

I do not disagree with him about his diversity ideas in terms of the success of Aquastar, and it is exactly this kind of diversity where we can bring in new companies that can actually add some real value to our economic plans going forward.

1645 Sir, Deputy Laurie Queripel again was very clear in terms of commercialisation and the risk of Guernsey Telecoms. There will be different views. Some of us may well think that privatising Guernsey Telecoms was a good idea and that perhaps we would not be where we are now in terms of the infrastructure that we have got. Others would say that we gave away Guernsey Telecoms and took a risk. I am not sure that we will get to the answer today, but we should not be frightened about change and we should not be frightened about not having control over everything that the States of Guernsey looks to control. We have to be balanced in terms of how we go forward.

1650 And yes, the fish quay facilities – in terms of day-to-day housekeeping, the issues that were raised by the Fishermen’s Co-operative have been actioned and the harbourmaster is working with that sector to develop things.

1655 Deputy Le Tocq, I actually felt like I was floating in a gentle swell in Fermain Bay after a good lunch at the Beach Café, listening to your oratory, so I am sorry, I did not take any of the points that you made seriously, (*Laughter*) but I really did enjoy myself.

1660 Deputy Quin, it does not mention the White Rock Café, but there is a mention of the Black Rock and it is just code for the White Rock Café; so yes, the White Rock Café, your second home from home, is safe –

Deputy Quin: I can cancel the march.

1665 **Deputy Luxon:** You can cancel what?

Deputy Quin: The march.

1670 **Deputy Luxon:** Yes. I am not sure you would get all the way along the front (*Laughter*) because the buses might not be on time, but I am sure you would manage.

Sir, I would like to thank all Members for their comments. I am really grateful that, in fact, Members have not dismissed it as being another strategy, another plan. All I can do is assure you, as I said earlier, that myself and the PSD Board and Department are prepared to try and make this plan move forward in a timely manner.

1675 Finally, I would say that I recognise Deputy Trott's point that it is not this PSD Minister or this PSD Board that should lay claim to this Ports Master Plan; it has been long under way.

I remember Deputy Spruce reminding me that often, for the work that a previous Board does, it is the next Board that either takes the claim or takes the shame, so in this case I will take the shame on behalf of the previous Board and indeed those other Members (*Laughter*) who have supported it.

1680 Thank you, sir. I hope people will support the recommendation to note this Report.

The Bailiff: Deputy Queripel.

1685 **Deputy Lester Queripel:** Sir, it is simply that I did ask the Minister if he could give an indication as regards the Department's preferred option for the deep-water berth at St Sampson's. Is he able to give me an assurance that that is a priority for the Board; and do they have any idea when they might bring the proposal before the Assembly?

Thank you, sir.

1690 **Deputy Luxon:** Sir, the four key objectives, which are the deep-water fuel berth, the security line, the fish quay and indeed receiving the cruise liner tenders... all of those four are being worked up by PSD Department staff at the moment. I have seen the first draft, earlier this week, of the project timelines. Activity starts in this year and an awful lot of the work next year. Some of the work is going to take quite some time.

1695 If this Assembly is going to make a decision on a £71 million investment, in terms of giving us security of supply of fuel, the PSD Board needs to make sure that we have looked at the option very carefully. We are going to have to have lots of engineering studies and the like. The work has started, but we will not be bringing it back to the States this year – that would be too early. I imagine it will be in 2014.

1700 **The Bailiff:** Members, there is a single Proposition on page 557 to note the contents of the Report.

Those in favour; those against.

1705 *Members voted Pour.*

The Bailiff: I declare it carried.

1710

HEALTH AND SOCIAL SERVICES DEPARTMENT

113th Medical Officer of Health Annual Report Debate commenced

1715

Article IX.

The States is asked to decide:

Whether, after consideration of the Report dated 8th March, 2013, of the Health and Social Services Department, they are of the opinion to note the Report.

1720

The Greffier: Article IX, Health and Social Services Department, 113th Medical Officer of Health Annual Report.

1725

The Bailiff: Deputy Dorey, the Minister of the Health and Social Services Department, will open the debate.

Deputy Dorey: Thank you, Mr Bailiff.

1730

The Medical Officer of Health Annual Report is not usually debated by the States or included in a Billet. Following a presentation made to States Members, the Department received a Rule 6 Question from Deputy Fallaize and the Department agreed to append it to a States Report; hence, I am opening this debate today.

1735

Improving the wellbeing of local people is one of the key objectives of the States. This has been acknowledged in recent debates on the 2020 Vision and the States Strategic Plan. This includes providing opportunities for people of Guernsey to reach their health potential, a theme which runs through the Medical Officer of Health Report.

1740

The Board of HSSD has a political responsibility to lead the Island's effort to improve and maintain the health and wellbeing of Islanders. As set out in the 2020 Vision, HSSD cannot act alone, and the actions of other States Departments and sectors of our community have a major impact on progress towards improving and protecting the health of the population of Guernsey and Alderney.

1745

The Report we are discussing today is an independent Report produced by the Medical Officer for Health. It provides a professional opinion, which should not at this stage be taken as HSSD or States policy. Indeed, it is important for the health of the Islands that the Medical Officer of Health should remain an independent professional voice on health matters outside of official policy.

1750

Nevertheless, the HSSD Board consider that the Annual Reports of the Medical Officer of Health are important advisory documents which support the delivery of its mandate. These Reports are an objective, scientifically based independent commentary on the health of the local population, which provide evidence-based ideas for future policy on action to improve and protect health.

1755

What is absolutely clear from the evidence is that, while Health Services may deal with the consequences of ill health, the work of many Departments has a crucial impact on the health and wellbeing of our population.

By way of context, it may help to give Members some understanding of the history and role of the Medical Officer of Health. Guernsey's first MOH was appointed in 1899 to give independent, objective, professional advice on measures to protect and improve the health of the population. The MOH is a statutory professional role with certain statutory functions, which advises both Health and Social Services Department and other States Departments on health issues in Guernsey and Alderney.

1760

Dr Bridgman is an accredited specialist in public health and was appointed to that role in 2009, and is only Guernsey's 10th Medical Officer of Health. Dr Bridgman reports issues in primary matters that... while Health Services are important in dealing with ill health, the determinants of health are very wide ranging. In particular, there are important contributions that can be made by other States Departments, the private and voluntary sector, as well as all citizens. Good, strong public policy brings all these sectors together in the pursuit of a healthier, wealthier and fairer Island.

1765

The 113th Annual Report of the Medical Officer of Health reflects this is a special theme – health equity – and considers the wider determinants of health. Health and wellbeing are of fundamental importance to us all and to all people we represent.

1770

Ill health will have touched the lives of all of us at some time. I hope the States will take the opportunity of this debate on this Report to consider how we can use its recommendations in our plans and take further practical evidence-based action to improve and protect the wellbeing of Islanders.

1775

The ethical and economic stakes involved in helping all our community achieve their health potential are high. Health and social problems that could have been prevented can be costly for individuals and may come at a high price to the taxpayer too. By taking early action to promote health and wellbeing and ensuring the equitable vision of high-quality primary services to people when they are in need, Guernsey can avoid the worst personal and financial consequences of health inequity and achieve and actively improve all Islanders' quality of life.

1780 Finally, Mr Bailiff, I know there will be some amendments proposed after this speech. I do not wish to refer to them now; however, in my opinion, if you are going to debate the amendments, it is correct to debate them when we have the MOH Report in front of us, which has the data and research on which they are based.

Thank you.

1785 **The Bailiff:** Yes, Members of States, as the Minister has just indicated, there are amendments. Four have been circulated.

I suggested an order in which they might be debated, which was simply based on the order in which the recommendations to which each of them relate appear in the Medical Officer of Health's Report.

1790 I understand that the four proposers would prefer that the one I have listed as amendment 4, which is the amendment proposed by Deputy Burford, should be taken first, and as I understand it, the Minister has no objection to that amendment being taken first.

So, what I wish to put to you is a proposition that we take amendment 4, Deputy Burford's amendment, as the first amendment.

1795 Those in favour; those against.

Members voted Pour.

1800 **The Bailiff:** We will deal with that one first, then.
Deputy Burford.
Sorry, Deputy Storey?

Deputy Storey: Sir, sorry to interrupt you.

1805 Yesterday, we had a debate in relation to a report from an independent statutory body, and I said at that time that I felt it inappropriate that amendments should be made to such a report, and by default, if you like, it seems that the rest of the Assembly agreed with me because there were no amendments placed in respect of that report.

1810 I find it difficult to understand why we should placing amendments in respect of a report by an independent statutory official – it puzzles me, and perhaps I am not the only one who is puzzled. Perhaps, sir, you could explain your reasoning as to why amendments to a report of this nature would be normally encouraged.

1815 **The Bailiff:** Deputy Storey, my answer to that would be that the amendments are not proposing to amend the Report. The Report stands as written. It cannot be amended. It is Dr Bridgman's Report; it cannot be amended by the States.

1820 The amendments relate to the Proposition. The Proposition appears on page 674, which merely invites the States of Deliberation to note the Report. What the proposers of the amendments are doing is seeking to amend that by inviting the States to direct that certain action be taken in respect of certain of the recommendations made by the Medical Officer of Health. That is not amending the Report; it is simply amending the Proposition, and that is something that is permissible.

Deputy Storey: Thank you, sir, for your clarification.

1825 **The Bailiff:** Thank you.
Deputy Fallaize.

1830 **Deputy Fallaize:** Sir, you will remember that we had a conversation about the order of amendments. I should have jumped up earlier, but I thought that the understanding was that the amendments would be taken in the order in which you circulated your note, and I was going to get back to you if the proposers wished to change the order.

The Bailiff: Sorry, I had understood that you did wish to.

1835 **Deputy Fallaize:** No, I thought that I had to get back to you to confirm that. (**The Bailiff:** Alright.)

As I understand it, it is the wish of the proposers of the amendments to take them in the order in which you circulated your note.

1840 **The Bailiff:** I am sorry about that.

Deputy Fallaize: That is okay. It is not your fault, sir.

The Bailiff: I thought that I had a message that...

1845 So you would like me to go back to proposing that we take number 1 first, number 2, then number 3 and number 4?

Deputy Fallaize: Yes, that is the view of the proposers of the amendments, if possible, please, sir.

1850 **The Bailiff:** Again, Deputy Dorey, are you happy with that?

Deputy Dorey: My preference is that order, because that is the order of recommendations but I do not have any –

1855 **The Bailiff:** Right: 1, 2, 3, 4.

In that case, I will put that to the States, then: that we take them in the order in which I have circulated them, which means they relate to the order of the recommendations.

Those in favour; those against.

1860 *Members voted Pour.*

The Bailiff: In that case, we will stick with the order of the amendments.
Deputy Brouard.

1865 **Deputy Brouard:** Thank you, sir.

I do not know if I am alone, sir, but I do not seem to have a copy of the amendments sent by e-mail rather than post.

1870 **The Bailiff:** A copy of the amendments? (*Interjection by Deputy Brouard*) Well, what don't you have a copy of?

Deputy Brouard: I do not have a copy of Deputy Burford's, sir... [*Inaudible*]

1875 **A Member:** Neither do I, sir.

The Bailiff: Do you have *any* amendments?

1880 **Deputy Burford:** Sir, could I arrange for people to receive a copy of my amendment over the lunch break?

The Bailiff: Yes.

1885 Deputies, if we are going to start with amendment 1, does everybody have amendment 1? (*Interjection*) Amendment 1 is the amendment proposed by Deputy Fallaize, seconded by Deputy Sherbourne, which relates to recommendation 2 of the Medical Officer of Health's Report.

Deputy Brouard: If it helps sir, I think it has been sent by post from Deputy Fallaize, two of them... One of them seconded by Deputy Sherbourne and one by Deputy Green, who also passed you, I believe a list from the Greffe itself with the amendments on.

1890 **The Bailiff:** Right, but what you do not have are the amendments proposed by Deputy Green and the amendment proposed by Deputy Burford – is that right?

A Member: Yes, sir.

1895 **Deputy Green:** Sir, I will make sure that those are circulated.

The Bailiff: We will make sure those are circulated at lunchtime then, and sooner if we get to the second amendment before lunch – which seems unlikely now. (*Laughter*)

1900 Deputy Fallaize, do you wish to propose your amendment?

Deputy Fallaize: Highly unlikely, yes.

Can I just check, sir, that this amendment that I am proposing and Deputy Sherbourne is seconding... that Members have that?

1905 **The Bailiff:** Yes, if anybody does not have that, please say so. As I say, the amendment relates to recommendation 2 of the Medical Officer of Health's Report. Nobody is standing, so everybody has it.

Deputy Fallaize: Thank you, sir.

1910 Deputy Dorey said, or implied at least, in his opening speech – and I agree with him – that it is not the role of the Medical Officer of Health to make Government policy. Policy, obviously, is a matter for policymakers – in this case, elected Members of the States.

1915 It is, though, one of Dr Bridgman's roles, as statutory Medical Officer of Health, to offer his independent, objective, professional advice, including an annual report which contains ideas for future policy action to protect and improve health and wellbeing in its many forms.

As you have said, sir, in the advice you gave after Deputy Storey's question, the proposers of these amendments are not in any way trying to amend Dr Bridgman's Report; on the contrary, actually, we are trying to give effect to some of his recommendations. The amendments are being laid to the Report that is being presented by the Health and Social Services Department.

1920 The Medical Officer of Health Reports do not contain a prescriptive list of proposals which must always be pursued slavishly, but they do provide us with a whole series of observations and recommendations, underpinned by empirical evidence, which at the very least we should take account of when we are making policy. It is up to us to develop policy, but it is up to the Medical Officer of Health to provide his independent professional advice in the development of that policy.

1925 I do not think that we should be intoxicated by this Report. We probably do not all agree with it. There are aspects of the Report which I would place more emphasis on than other aspects, but I do think, given the nature of the Report – and in places it does provide quite a critical commentary on some aspects of States policy – it would be foolish for us to be oblivious to some of the very important issues raised in this Report and some of the recommendations the Medical Officer of Health has made.

The first 40-or-so pages of his Report are devoted in particular to the relationship between health and social welfare policies generally, and in particular he draws links between inequality of health, inequality of income, and poverty.

1935 I appreciate that, for some Members, the semantics of social policy are contentious – in particular the use of this word 'poverty'. Of course, in Guernsey one does not encounter the kind of abject or absolute poverty that, sadly, one would find in other parts of the world. When I talk about poverty, and I think this is true for most Members of the States and it is certainly true for the Report that is before us, we are referring to what Dr Bridgman refers to as 'relative poverty'. I know that the term 'relative poverty' is contentious in itself, but leaving aside the term, it is the definition which is relevant, and it is defined in this Report as having:

1945 '... income and resources [which are] so inadequate as to preclude [a person] from having a standard of living considered acceptable in the society in which they live... they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted.'

1950 For a variety of reasons – some of which, frankly, are the result of poor personal choices; others of which are generational, or at least a product of their formative years – there are a significant number of people in Guernsey for whom the definition which I just read out describes very well their daily experiences of life.

1955 We are not talking here about a discretionary standard of living, but about people whose income is insufficient to meet needs which are considered essential by the majority of the local population. Very often that is defined as people whose income falls below 60% of the median income.

1960 I say that there are a significant number of people falling below that line, the Medical Officer of Health says there are a significant number of people falling below that line, the Social Security Department, when it last presented proposals for Supplementary Benefit reform, said there were a significant number of people falling below that line; but we are all, as the Medical Officer of Health's Report makes clear, making guesses. They may be educated guesses, but they are guesses nonetheless, because we do not currently have sufficient information to know the size and the profile of that part of the population whose income falls below minimum income standards.

- 1965 Recommendation 2 in the Medical Officer of Health's Report proposes further research to estimate the number of islanders below minimum income standards.
- 1970 The amendment which is in my name, and which Deputy Sherbourne is seconding, is somewhat less prescriptive than recommendation 2 of the Medical Officer of Health's Report because what our amendment requires is that, by July of next year, the Policy Council sets out a considered response to recommendation 2 of the MOH Report.
- 1975 Sir, it was only nine weeks ago that this States – not the Policy Council, not the Board of Health, not the Medical Officer of Health, but this Assembly – resolved that one of its headline social policy commitments would be to 'equality of opportunity, social inclusion and social justice'.
- 1980 There is a challenge to this Assembly's apparent commitment to social justice set out on the very first page of the Medical Officer of Health's Report, where he writes:
- 1985 'Although... the economy is a very important indicator of performance, it can also be argued that Guernsey is running at a health equity, or social justice deficit... The cost [of] this deficit is not only based on humanitarian terms, but also economic.'
- 1990 Sir, in time, the States may wish to act quite radically, or moderately and incrementally, or alternatively not to act at all in response to those social policy shortcomings that are identified in this Report and elsewhere, but we can only make an informed judgement about how to respond at a policy level if we are in receipt of sufficient information to make that kind of judgement. When in the past the Social Security Department, and now the Medical Officer of Health, have brought to the attention of the States that this key area of information is missing and that the dearth of information in this area is hampering the development of policy, I think it is up to us, as a Government, to decide how we are going to respond to that – and that is what is proposed in this amendment.
- 1995 In 2002, an attempt was made to put a figure on the proportion of people whose income fell below minimum income standards, and the figure was 16% – I think with a further 5% of people who were at risk of falling below that line.
- 2000 Three years later, there was a less extensive study made, which again estimated that, if anything, the figure was slightly higher but was in that kind of ballpark.
- 2005 More concerning still, the statistics of a decade ago showed that there were very nearly one in 10 households falling below 40% of median income, which is well below the line at which relative poverty, or what is considered an acceptable standard of living, is usually drawn.
- 2010 In fairness, these statistics have been much disputed and there are differences of opinion about their accuracy, but they were at least better than nothing, and out of those statistics arose a corporate anti-poverty programme, which for two or three years perhaps at least did have some traction and the States did make some progress in dealing with these social policy shortcomings at a policy level.
- 2015 Those statistics were better than nothing, but even they, imperfect though they were, are now hopelessly out of date, because in the eight years since, there has been absolutely nothing and today there is no relevant quantitative assessment of how many people are falling below minimum income standards and what is the profile of those people.
- 2020 What is the proportion of pensioners compared to people of working age? What is the proportion of single people to couples? Are households much more likely to fall below the line if they have a certain number of children? What is the proportion of social housing tenants and what is the proportion of private sector, probably rental tenants, who fall below the line, whose income is insufficient to obtain a level of existence which the majority of people in this community regard not as essential but as acceptable? That information is all missing. We are making policy because we have to make policy as the years go by, but we are making policy in the absence of that information.
- 2015 In my view, and in the view of my seconder, and because the States has made this commitment to social justice and confirmed that commitment so recently, it is quite reasonable for us to require the Policy Council to advise the States, over the course of the next year, how they intend to respond in policy terms to that second recommendation of the Medical Officer of Health's Report.
- 2020 In his summary, the Medical Officer of Health advises:
- 2020 'Despite Guernsey's relative wealth, there is substantial evidence for a significant level of poverty and social injustice affecting a minority of the local population. This poverty and social injustice will not only have a significant negative effect on the health of the islands, there will be a very significant negative economic impact too.'

2025 We have to respond in some way to that kind of advice being presented by the Medical Officer of Health, and in order to respond responsibly and intelligently and proportionately we need the kind of information which the Medical Officer of Health is suggesting is currently missing.

Sir, before I sit down I want to refute one suggestion which I have had put to me by one or two Members of the States, and that is that laying these amendments is somehow disrespectful to the statutory independence of the Medical Officer of Health.

2030 Sir, first of all, I am very grateful to the Medical Officer of Health for the time which he afforded me when I was considering putting this amendment and the other amendment together, and I asked him what his view was of the laying of these amendments. He kindly gave me permission to relay his words to the States. He said:

2035 ‘I do not feel disrespected; quite the reverse. I would be delighted if the Assembly were able to agree to move forward some of the issues highlighted in the Medical Officer of Health’s Report on behalf of the people we all serve.’

As I understand it, sir, the Department which is laying this Report does not object to the debate of these amendments, and therefore I ask the States to give them proper consideration, debate them thoroughly, and then to resolve upon what are... I suppose I should be speaking only to this amendment, not all of them, but this is a very modest amendment, it does not seek of itself to give effect to recommendation 2 of the Medical Officer of Health’s Report. It merely, if approved, requires the Policy Council to advise the States, over the course of the next year, how they intend to respond to recommendation 2. Ultimately, it would be for the States to decide, upon the Policy Council’s recommendation, exactly what we should do, if anything, to avail ourselves of more information in order to respond to some of the policy shortcomings identified in this Report.

I hope Members can support the amendment.

Amendment:

2050 *To number the Proposition as Proposition 1 and to insert a new Proposition 2 as follows:*
 “2. To direct that by no later than July, 2014, and after consultation with the relevant States Departments and the Medical Officer of Health, the Policy Council, in accordance with that part of its mandate which makes it responsible for “...the co-ordination of action to enable the implementation of the States Strategic Plan...” and in order to contribute towards fulfilling the Social Policy Plan general objective of “equality of opportunity, social inclusion and social justice” (Resolution 3 on Billet d’État VI of 2013), shall report to the States of Deliberation setting out its considered response to Recommendation 2 of the Medical Officer of Health’s 113th Annual Report, which considered response shall include an assessment of whether to establish as expeditiously as possible the size and profile of that part of the population whose income falls below minimum income standards.”

The Bailiff: Deputy Sherbourne, do you formally second?

2065 **Deputy Sherbourne:** I formally second, sir, and reserve the right to speak.

The Bailiff: Thank you.
I think the Minister would like to speak now.

2070 **Deputy Dorey:** I would just like to... It might help the Assembly if I just tell them what the HSSD view is and purely that, and if I can still have the summing up at the end, just in case there are any questions.

If you do not allow me to, I will sit down.

2075 **The Bailiff:** No. I think that is creating a precedent if I allow you to speak twice. Yes. Deputy Lester Queripel had caught my eye. Are you going to be able to conclude your speech by 12.30, Deputy Queripel – in three minutes, in other words?

Deputy Lester Queripel: I timed it at five o’clock this morning, sir: it is six minutes, so...

2080 **The Bailiff:** In that case, we will have it after lunch. *(Laughter)*
Deputy Laurie Queripel, will you be able to – ?

A Member: By which time it will probably be 16! *(Laughter)*

2085 **The Bailiff:** Will you be able to speak in...? Sorry, Deputy Langlois.

Deputy Langlois: Sir, I am always unsure about at what point this gets raised. Are we going to run this with the amendments being debated together with the main Report, because it strikes me that the nature of the amendments creates huge danger of a lot of repetition and circularity and then a debate at the end and so on, in this particular case. So I am just asking when a ruling on that is made.

2095 **The Bailiff:** I was considering that each amendment would be taken separately, and separately from the main debate. That does not stop anybody speaking in general debate as they speak on an amendment, but I think it is going to be easier to take the four amendments separately, rather than roll them together.

Mr Procureur, do you have a view?

2100 **The Procureur:** This must be your judgement, sir, but I think that must be right, because the only other way of doing it would be to have the four proposers all speak, and then everybody have a bit of a... and it would get awfully confused.

2105 **The Bailiff:** Yes. If we had the same proposers for every amendment, then we might be able to take them all together, but I agree with you – as we have got four different proposers, it would become extremely difficult.

I think we are now very close to 12.30, so I suggest that we rise now and resume at 2.30.

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

2110

Billet d'État VIII

2115

HEALTH AND SOCIAL SERVICES DEPARTMENT

113th Medical Officer of Health Annual Report Debate continued

2120 **The Bailiff:** Deputy Le Lièvre.

Deputy Le Lièvre: Sorry, sir, might I be permitted to ask on a point of clarification, which I think will probably aid debate, a question of Deputy Fallaize.

2125 Is the minimum income standard referred to in the MOH's Report the same income standard as was reported in Social Security's March 2012 Report from Loughborough University?

It is important, because I think one is it would lead Members, if they were talking about the Social Securities, to believe that the rates might be actually a lot higher than they could be.

2130 **The Bailiff:** Deputy Fallaize, are you able to answer that question?

Deputy Fallaize: Yes, in a sec...

The Bailiff: If it will shorten debate. *(Laughter)*

2135 **Deputy Fallaize:** Was that a request sir or a...? *(Laughter)*

I was just looking for recommendation 2. Yes, okay, the amendment is... the last words on the amendment deliberately say 'minimum income standards', plural, because if the amendment is approved, I did not want to tie the Policy Council's hands to the exact figures which are contained in the Loughborough Study, and so 'minimum income standards', in the terms of this amendment, is meant to be a generic term and if the amendment is approved, as I envisage it, the Policy Council itself would have the flexibility to determine what it believes minimum income standards are, when it comes back to the States with its report by July 2014.

2140 So it is not prescriptively tying to whatever minimum income standard was put forward by any other organisation in a previous year.

2145

The Bailiff: Thank you for that. Time will tell whether it shortens the debate. *(Laughter)*
Deputy Lester Queripel, you were going to speak next.

2150 **Deputy Lester Queripel:** Thank you, sir.
I think it is absolutely vital to determine how many of our fellow Islanders are living in poverty, and for those Members of this Assembly who are exclusively balance sheet politicians, I think it is important to realise there is a business case for addressing poverty, because poverty from the past costs money in the future.

2155 If Members turn to page 665, they will see that the last sentence of paragraph 4 tells us that poor people in Guernsey are at least four times more likely to be ill than the rest of the population; and further down the page, paragraph 7, which is actually a single sentence, tells us that poor people are also found to have less social support and have some difficulties when paying to use public sports, cultural facilities and the dentists.

2160 That is fairly obvious stuff really, sir, but as Deputy Le Tocq pointed out in a recent debate, sometimes you need to state the obvious.

Something even more obvious, perhaps, is to state the fact that pensioners living in poverty are often lonely people, because they cannot afford to go out. They stay at home, put the television on simply for company. Most of them have been responsible citizens all of their lives. They have paid their contributions, they have paid their taxes and yet some of them are really struggling to survive.

2165 I will never forget when I was knocking on doors on the campaign trail in 2008, when I was invited into the home of two pensioners, who made me a most welcome cup of tea, and when the lady of the house went to the cupboard, it was almost empty and when she opened the fridge to get the milk, the fridge was almost empty, and when she gave me a cup of tea, she said, 'I am sorry, I cannot afford to give you any biscuits, but we ran out yesterday and we do not get our pensions until tomorrow.'

2170 I did not know whether to laugh or cry at that stage, sir, and I know that anecdotal evidence does not mean a great deal to anyone else, but what I saw that day really affected me, and that happened in 2008, so people were struggling then. Things will only have gotten progressively worse.

2175 If Members turn to page 582 of the Report, they will see that the last sentence at the bottom of the page reads as follows:

2180 'There has been concern that some employers have dropped starting salaries down to the minimum rate, thereby potentially making poverty worse.'

I ask Deputy Stewart and his Board at Commerce and Employment to consider that, when they set the next figure of the minimum wage.

2185 If Members turn to page 577, they will indeed find the result of the Guernsey Minimum Income Study. Paragraph 3 tells us that a single pensioner requires £356 a week to live on, and a family with two children need £1,000 a week to live on. Well, I know several single pensioners who do not have anything like £356 a week to live on. I also know several couples with two children who do not have anything like £1,000 a week to live on.

2190 We have to bear in mind, sir, that these figures are based on social housing. Islanders renting in the private sector need even more.

2195 So, it really is up to us, the politicians, to recognise that poverty *does* exist here in the Island. It is up to us to identify it. It is up to us to address it, and it is up to us to do whatever we can to resolve it. One thing we cannot afford to do is deny it, because the repercussions of poverty will be felt by the whole community, at some stage in the future.

I would like to focus for a moment, sir, on an excellent letter, published in the press recently, written by Deputy Green. In his letter, Deputy Green told readers that one of the crucial roles of our States is to help enable the individual to fulfil their true potential. Deputy Green went on to say:

2200 'I would sincerely like to see the issues of social mobility and tackling child poverty placed much higher up the political priority list by the States'.

Deputy Green brings his letter to a close by saying:

2205 'Although it is important to eliminate the budget deficit and seek to reboot our economy, social mobility and child poverty are also important issues that need to be addressed by this States, and I hope that progress will be made in this political term'.

I resonate with everything Deputy Green said in his letter, because we simply cannot afford to ignore poverty here in Guernsey. We have to identify it and we have to deal with it.

2210 To conclude, sir, in the late 1700s, Thomas Paine, who later became known as the most valuable Englishman ever, wrote a book called *The Rights of Man*. In that book, he devised a budget to eliminate poverty in the UK. He was eventually arrested and put in prison, because the Government did not want to eliminate poverty.

2215 Perhaps that is the question we should all be asking ourselves. Do we want to admit there is poverty here in the Island; and do we want to eliminate it? That is why this amendment is key to the whole issue of poverty here in Guernsey. I urge Members to support it.

We have of course recently signed up to the States Strategic Plan and the number one statement and aim is, and I quote:

2220 ‘To improve the quality of life of Islanders.’

To my mind, sir, we must start with the most needy members of our community, and to be able to do that we need to know who they are.

2225 I urge Members to support this amendment, sir. Thank you.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

2230 I am going to support this amendment and in fact I am going to support all the amendments before us for one main reason. This amendment and the others all have something in common: they are looking to provoke, set in motion positive actions that will generate or reveal data that should assist us in progressing social policy.

Indeed, the amendment being placed by Deputy Burford and Deputy Luxon, if successful, should directly enhance social policy.

2235 I did not vote for the SSP – the States Strategic Plan – because as I said at the time, it was more of an SOI – a statement of ideals. It looked great on paper, no doubt well intended, but rang rather hollow, because the resources are not currently available to set the wheels in motion.

It is rather like a high performance car with a flat battery. These amendments at least are attempting to give certain aspects of the SSP a bump start. They give particular direction, set time limits, there is a constructive intent.

2240 So sir, I will be supporting this amendment and the others before us.
Thank you.

2245 **The Bailiff:** Thank you. Deputy Harwood.

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

Speaking for myself and I think for other Members of Policy Council, as this was at the direction of the Policy Council, I think we would have no problem at all with the principle or the spirit behind the amendment.

2250 Clearly there is poverty in these Islands: anybody who has had any dealings with the charitable sector will be fully aware of that, and many of us, as people have said, who have knocked on doors during the course of canvassing, will be familiar with the problem.

It makes a lot of sense and it clearly is in everybody’s interest if we can begin to identify the numbers.

2255 The concern, sir, that I have in relation to this particular amendment is in the appropriate measurement that is used to calculate those numbers.

I am grateful to Deputy Fallaize for clarifying the last words of this amendment, where he says ‘minimum income standards’ does not necessarily tie the hands of Policy Council to the Loughborough Report; but I would advise caution, because recommendation 2 of the Medical Officer of Health’s Report does actually link it specifically to minimum income standards and, in that context, it is the Loughborough Report.

2260 Sir, there are many measures of relative poverty and I think in this context, we are talking about a standard of measurement for relative poverty, and I would have, certainly personally, and I think other Members of the Policy Council would have been more comfortable if, instead of using the words ‘minimum income standards’, the amendment had used words such as ‘an internationally recognised standard of measurement of relative poverty’.

2265 In fact that work has already started and if I can refer States Members to the Public Consultation document on Personal Tax, Pensions and Benefits, Part B, page 22, you will find set

2270 out there estimated percentage of households in relative poverty, so the work is already being done and calculations have been done, on the basis of the internationally accepted standards which is 60% median income, where reference to median income...

2275 So I would urge, in this context, if we could agree that the reference to a minimum income standards should be read as referring from a wider basis to internationally recognised standard in relation to relative poverty, I would suggest that would also then tie in with the further amendments, which Deputy Fallaize and Deputy Green are tabling, which refers to recommendation 7 of the Medical Officer of Health's Report, which asked us to establish, effectively, a key performance indicator, against the measurement of income inequality.

2280 I would submit, sir, in that context, the relevant measurement of income inequality should be the an internationally accepted and objective standard, rather than the more narrowly prescribed standard of the minimum income standard.

If Deputy Fallaize would be willing to concede that amendment, then I would certainly have no objection to the amendment going through on behalf of the Policy Council and we would accept the direction.

2285 **The Bailiff:** It is difficult for you to have another speech, but if it may shorten debate, are you able to just say whether...?

Deputy Fallaize: Well, yes, is Deputy Harwood proposing an amendment? *(Laughter)*

2290 **The Bailiff:** No.

Deputy Fallaize: It would be much better, obviously, if Deputy Harwood and I could agree a form of words which the Policy Council was able to support, and I am not trying to be awkward, but is there a specific form of words, because I would rather do it by understanding.

2295 I agree with Deputy Harwood's interpretation: when the Policy Council comes back to the States by July 2014, it has to have the flexibility to set the standards which it believes are appropriate.

2300 **The Bailiff:** Would it be helpful, if we had just a five-minute adjournment, so that the two of you could speak and see if you could agree a form of words?

2305 **Deputy Fallaize:** Well, the point is, sir, if when the Policy Council comes back, the States believe that they have got the standard wrong, then it is up to the States to debate that at the time; but the Policy Council clearly has to have the flexibility to determine the standard it thinks is appropriate when it comes back. I do not think anybody could possibly dispute that.

Minimum income standards... I do not want to be pedantic about it, but it is in small letters; it is not in capitals, meaning a minimum income standard which is prescribed somewhere else. It is a generic term which the Policy Council can interpret as it sees fit.

2310 **The Bailiff:** I see several Ministers are wanting to speak. I wonder would it be helpful if we just had a five-minute adjournment, and then you could get together with Members of Policy Council, and see if you could agree something, rather than trying to do it in this forum. We will rise.

2315 *The Assembly adjourned at 2.49 p.m.
and resumed its sitting at 3.00 p.m.*

2320 **113th Medical Officer of Health Annual Report
Debate continued**

The Bailiff: Deputy Fallaize, can you report on your discussions?

2325 **Deputy Fallaize:** Yes, I can sir.

Deputy Sherbourne and I... have been speaking with Deputy Harwood and other Members of the Policy Council, and a slightly different form of words for this amendment have been circulated to Members. The only difference is that, where previously, the term used was 'minimum income standards', the term now used is 'a recognised minimum level of income', which rather reflects the

2330 point which I was making and Deputy Harwood was making earlier that, before the Policy Council... or during the time that it carries out the work that is laid out in this amendment, it will have to determine a recognised minimum level of income for itself, rather than necessarily being tied to any work that has been done previously.

2335 I understand that on that basis the Policy Council is happy to support the amendment.

The Bailiff: So what you are doing at the moment is proposing an amendment to the amendment?

2340 **Deputy Fallaize:** Well, I think, I am just proposing we will withdraw the previous amendment –

The Bailiff: Withdraw the previous amendment.

2345 **Deputy Fallaize:** – and propose this new amendment:

Amendment:

To number the Proposition as Proposition 1 and to insert a new Proposition 2 as follows:

2350 *“2. To direct that by no later than July, 2014, and after consultation with the relevant States Departments and the Medical Officer of Health, the Policy Council, in accordance with that part of its mandate which makes it responsible for “...the co-ordination of action to enable the implementation of the States Strategic Plan...” and in order to contribute towards fulfilling the Social Policy Plan general objective of “equality of opportunity, social inclusion and social justice” (Resolution 3 on Billet d’État VI of 2013), shall report to the States of Deliberation setting out its considered response to Recommendation 2 of the Medical Officer of Health’s 113th Annual Report, which considered response shall include an assessment of whether to establish as expeditiously as possible the size and profile of that part of the population whose income falls below a recognised minimum level of income.”*

2355

2360 **The Bailiff:** You are tabling this new amendment. (**Deputy Fallaize:** Please.) Right, and that is now formally seconded by Deputy Sherbourne, and Chief Minister.

2365 **The Chief Minister (Deputy Harwood):** I am happy to... I thank Deputies Fallaize and Sherbourne. The wording as now proposed is perfectly acceptable to Policy Council and we will be happy to accept the direction.

The Bailiff: So any requests then for any debate on it?
Deputy Le Lièvre.

2370 **Deputy Le Lièvre:** Yes, I am sorry sir, I do not want to extend the proceedings –

The Bailiff: Then do not stand up.

2375 **Deputy Le Lièvre:** Well, I think this is worth hearing because when Deputy Harwood mentioned the term ‘relative poverty’, I was horrified, because I have got no wish to turn the clock back 15 years to consummate failure.

2380 The States has never, *ever* been able to attach a living benefit with the size of the community that needs it. It has always, rather than determine how many need, set it at a level and called it all sorts of things, whether it is public assistance or non-contributory pension or whatever, and it has set it at an arbitrary level. At one stage, it was the greenhouse workers’ wage, but that did not last for long.

‘Relative poverty’ is a term which defies description almost, and I am not saying that because that is my opinion; it is what I have read. It is what I have read from what was the Advisory and Finance Committee.

2385 Now, Townsend did not spring up out of the ground by itself; it is a direct result of Deputy Jean Pritchard’s Requête of 1998, of which Deputy Gollop was one of the signatories. That Requête was on low income earners and householders, and the debate in the States resulted in a Requête that was successful and it was followed up by the Social Policy Working Group in 1988 and 1999. That group was comprised not of politicians but of the Chief Officers of all of those socially based Departments, or had those Departments which had a social bent to them, such as

2390 Health, Education, Social Security, Housing and they reported back to the States, I think, sometime... sorry, to Advisory and Finance in 1999.

Advisory and Finance reported to the States, as a result of the Requête, on 3rd April 2000, and that Report says – and I have this with me, perchance, because it is part of my Tax and Benefit Review paper – and it says, on page 4 of the Report, the group comment – and this is the Social Policy Working Group –

2395 ‘the Requête begs the question as to what is relative poverty’,

2400 and they had taken 18 months to get there. They achieved nothing. There were 10 recommendations here – not one of them was successful, other than the first one which was to note the Report.

So, when Deputy Harwood mentioned the term ‘relative poverty’, as I said, I was horrified. I do not want to go back there. I want the Policy Council, when it comes back, to come back with figures that represent a reasonable sum of money for people in different circumstances, so that they do not suffer poverty. That, for me, is the most important reason I joined the States. We have not done it; we have not achieved it; we did not achieve it in 1955; we did not achieve it in 1971; we did not achieve it in 2012; and so on and so forth.

2405 So I am really looking forward to an outcome, as a result of this amendment, which will correct over 100 years of failure.

2410 Thank you, sir.

The Bailiff: Thank you. Deputy Gollop then Deputy Conder.

2415 **Deputy Gollop:** So, there you have it: Deputy Le Lièvre just gave me a rain check and in a way you could argue, I have been part of this political lifetime of relative failure. *(Laughter)*

But there you go, and I am speaking merely on behalf of myself, rather than any disability organisation or in that role.

I would have to say that the States does indeed need to make progress on these areas, and I am a little bit heartened today to hear the Chief Minister and the Policy Council having a meeting of minds with Deputy Fallaize and moving this agenda forward, so that we do not keep on arguing in a technocratic way about evidence, but actually get on with some actions.

2420 More to the point, the research really does need to be done. We need to be even clearer on the issues and that includes people with impairments, perhaps, who live in relative poverty. The real issue is I think we already know that there are people on Guernsey who live in relative poverty. We might not know exactly who they are or what their incomes are and what the database is, but we know that and we should bear that in mind.

2425 In a way, this extra Report is there to satisfy the Doubting Thomases. If I turn to the Medical Officer, Dr Bridgman’s Report, on page 663, in his Appendix 2, he refers to deprivation. On page 663, it goes on about two meals a day and on pages 664 and 665, it continues in this way.

2430 Individual... let us come with something interesting:

‘Collective exclusion [from services] affected about 30% and individual exclusion [based on price] about 14%. None of the respondents said they could not afford the doctor or chemist, but 6% could not afford to use the dentist. Five percent of respondents said they had collective exclusion from doctors.’

2435 There are other measures too of poverty. If one looks at page 218, at 244, or page 666 depending on what tabulation you use, ‘perceptions of poverty’. This is from a professional expert:

2440 ‘The scientific measurement of relative poverty found that 16% of the population were poor. Seven percent of households said their incomes were inadequate to avoid absolute poverty and 12% general poverty. Many more people thought poverty would increase over the next ten years rather than decrease. Two-thirds of islanders thought poverty was caused by inevitable changes in society, injustice [or] bad luck. Two-thirds supported a tax increase to end poverty.’

2445 Now, from that basis if we assume our population to be a random 60,000 people, 16% of that total is... well, it is approximately 10,000 people. That is a lot of people. That is not 1,000. That is not 100. That is 10,000 people.

2450 I am sure many listeners, people who work in the public sector in some cases, maybe even Members of the Assembly, Ministers, will consider those figures to be a touch exaggerated. But let me draw your attention to another document, because I was privileged to go to the presentation on the personal tax, pensions and benefits, and this uses a completely different set of data, and it comes in a way from a different perspective.

2455 But nevertheless one looks at the figures here and one sees a not totally dissimilar picture being discussed. There is an acknowledgement here of relative poverty, for example, on page 19, one looks at figure 6.1.1d, the source is the Policy Council and one sees that, if you like, in terms of household income, the bottom 20% of our society only gives 1% of taxation and contributions. In fact, the top decile, the top 10% are providing 40% of our revenue and I support that 10%, because they are providing a very valuable public and economic service.

2460 We should not have the politics of envy here in any share or form, but nevertheless the differences are marked.

Another example from this document – the one that everybody is expected to give response to by the end of the week, ideally – says on page 21:

2465 ‘We are unable to produce measures before and after housing costs. However estimates produced, including benefits in kind most closely reflect numbers used in international comparisons. According to these estimates, on this latter basis, approximately 12% of households in Guernsey are in relative poverty compared to 16% in the UK and 12% in Jersey.’

2470 Now, I make that a gain of about 8,000 people. On page 22, there were many different estimated percentages and it would appear from this data – although it perhaps needs a degree of interpretation and extrapolation – that Guernsey perhaps has less families in poverty than the UK norm, but potentially has more single people and senior citizens. One of these figures suggests that there may even be 34% of single people aged over 65 in this category, in terms of net income, including benefits in kind.

2475 Now, this is not the time or place to give a detailed analysis or development of this data, but we have to take on trust from two erudite sources of information, that there are several thousand people here living in a state of relative poverty, and we, as a progressive Assembly, anxious to make a difference and really get things moving in this term, should be ashamed of that fact and do everything we can, as quickly as possible, to reduce hardship and improve equality of opportunity and outcome and living standards.

2480

The Bailiff: Deputy Conder.

Deputy Conder: Thank you, sir.

2485 Deputy Gollop has said much of what I was I was going to say, rather more eloquently than I can anyway, so I will not repeat it.

I support this amendment with great enthusiasm.

2490 We know that poverty is out there now. I know from my own family’s experience, my wife’s work as a social worker, that there is real and genuine poverty out there, and it is a bit like the debate we have on schools. Children only get one opportunity to go through one year of their school life. When somebody is poor, they are poor now. They are not poor in July 2014 or whenever we finally get our act together.

So, could I please ask that, if we look at the amendment, it was to direct that by no later than July 2014, could we actually make it a bit earlier than that, if possible, please?

2495 The last sentence says ‘as expeditiously as possible’, we establish the size and profile of that part of the population. We do not have to wait until July. The need is out there now.

Perhaps, if I could request Deputy Fallaize in his summing-up, in the new wording, the last sentence says:

2500 ‘will include an assessment of whether to establish as expeditiously as possible the size and profile of that part of the population whose income falls below recognised minimum level of income.’

2505 I am no expert, but I am assuming that minimum level in income, in different parts of our population, must be different. Poverty for somebody fit and well is very different, I suspect – the minimum level of income is very different for somebody who is fit and well from somebody perhaps who has a disability or has a mental health problem or all sorts of other different circumstances.

So I hope, and perhaps Deputy Fallaize can help me to understand that, that definition will allow differentials, because if we establish a recognised minimum level of income for a broad population, a significant number of people are going to be below that.

2510 So I would be grateful if perhaps Deputy Fallaize could give me a bit of assistance in his summing up.

Thank you, sir.

2515 **The Bailiff:** Deputy Storey.

Deputy Storey: Thank you, sir.

2520 I just wanted to say that HSSD Board considered these amendments at a meeting on Tuesday and in respect of this particular amendment, we felt that it was not directly concerning our mandate, but nevertheless we accept as an obvious truth that poverty contributes to ill health in one way or another. Therefore, from a personal point of view, I will be supporting this amendment, and I suspect that the majority of the Members of the HSSD Board will be doing the same.

2525 I think it is important to establish the people who need help in order to improve their health and I am pleased that the new wording has been agreed in relation to this amendment, because I was getting a bit confused earlier on when Deputy Fallaize introduced his amendment as it then stood, because he referred both to a percentage of the mean level of income and also the minimum income standard. They are two completely different things and would have come up with completely different answers.

2530 So I am glad that we have agreed a standard that we are going to work to and I look forward to seeing that, and hope that, as a basis of that, it will help in time to improve the health of people who are in poverty.

Thank you.

2535 **The Bailiff:** Deputy Langlois.

Deputy Langlois: Thank you, sir.

2540 I will speak in general debate in more detail about the progress which has already been made and I think almost, in response to Deputy Storey's input just now, it is incumbent on me to just make one comment. That is that, in many ways, the statistics that are being referred to will have more relevance to my Department than they will to HSSD, when they eventually emerge.

2545 As the Social Security Department, what else could we do, but welcome the emergence of more detailed information of the issues which we are trying to tackle, and therefore to my mind, I am also very pleased that we have come up with a mutually agreed wording after the misunderstanding about those three words that were in there originally, because it will move everybody forward in a positive way in the coming year.

So I very much support the amendment.

The Bailiff: Anyone else? Yes, Deputy Sherbourne.

2550 **Deputy Sherbourne:** Thank you, sir.

Just very briefly I was very, very happy to second this amendment.

2555 I would like to take us back a few hours to a very lengthy debate and the mention during that debate of the words of the review, the Code of Conduct Review Committee, that stated that one of our Members should have used the tools in the box that were available to us. This amendment seeks to increase the size of that tool box and I suspect that applies to every amendment associated with this particular motion.

So, I hope that my colleagues will support this proposal and increase those tools to enable us, as individual Members, to make the right sort of choices in the future.

2560 Thank you.

The Bailiff: Anyone else? No.

Well, Deputy Dorey, you have the right to make the penultimate speech: do you wish to do so?

2565 **Deputy Dorey:** Thank you, Mr Bailiff.

As my Deputy Minister has said, we considered this was not directly to do with our mandate, so we as an HSSD are neutral on it.

2570 There have been no questions concerning HSSD, but just speaking personally, and with some relevance to the Health mandate, in the Billet, on page 666, is a part of the Townsend Study, and it said – and I know the Townsend Study is a few years old:

'Six percent of people said they did not always have enough money to visit their family doctor and pay for medicine prescription charges when sick, and 9% did not have enough money to buy glasses, hearing aids or other medical aids.'

2575 The challenge always for society is those people on supplementary benefit have free medical care and therefore they potentially are cared for in terms of health. Those people who are above that level, but have low incomes relative to the population, are the ones who struggle to afford

health care, although there is the Medical Expenses Assistance Scheme which Social Security run, which is there to help those people, and it is means tested.

2580 Personally, I will be supporting this amendment.

The Bailiff: Thank you.

Deputy Fallaize then will reply to the debate.

2585 **Deputy Fallaize:** Thank you, sir.

Deputy Le Lièvre, I think, was basically saying that in his experience, the absence of information has hampered policy progress.

That is basically the problem, in a small way I accept, but the problem which this amendment is partly trying to correct.

2590 I would not have agreed to change the amendment to use the words ‘relative poverty’. I do not think that is a particularly helpful term. If I had, Deputy Perrot would have come running up to me afterwards to say ‘You should stop using the term “relative poverty”, because there will always be some people in relative poverty, because even if you live in a society where everybody is exceptionally affluent, some will always be slightly less affluent than others’. That is people on one side of the argument and of course, people on the other side of the argument find similarly objectionable problems with that term.

2595

So I was not interested in that, but I do think that ‘a recognised minimum level of income’ is a reasonable form of words.

2600 Ultimately, whatever is a recognised minimum level of income is a political judgement. We have to take evidence and information from as wide a range of sources as possible, but we have to make a political judgement about what is acceptable in this society, and what is unacceptable. Ultimately, it is for this Assembly to make that kind of judgement.

2605 Now, what I want to emphasise in speaking for this amendment is that when the Policy Council returns to the States and makes reference to what it considers a minimum level of income, it is not going to be able to come up with some arbitrary figure plucked out of the air, or drawing lots around the Policy Council table for which figure is used. They are going to have to provide evidence. The Policy Council will have to justify why it believes the figure or figures that it comes up with are an appropriate minimum level of income in Guernsey. Then, of course, they will have to come to the States and then it will be for the States to make that political judgement.

2610 But unless we get this ball rolling – and I accept what Deputy Langlois says, that there is some progress being made already – but unless the States sets the expectation, sets some kind of deadline for this sort of preliminary work to be done, then what Deputy Le Lièvre fears, that the absence of information will continue to hamper policy progress, will never be put right.

2615 The purpose of the amendment is to lead to the collection of better information and evidence, out of which the States can make political judgements about how to respond to poverty and need.

I think it is important that we consider not just the size of the population whose income falls below an acceptable minimum, but also the profile of the population. We probably know, from some of the work that Townsend did, that pensioners are at particular risk for example. Single pensioners in particular, single adults rather than couples, are at particular risk, but we need more information about the type of people, if that is not a pejorative term that we are talking about.

2620 Now, I am convinced that, once we collect better information, the case for further policy intervention will become compelling and the States will effectively be forced to act – but that is because of my political views. I accept that there are some Members of the States who will believe that the evidence actually will point in the other direction and will prove, or at least suggest, that the situation as far as poverty or need is concerned is not as bad as I think it is. That is not for today; that is for another day. That is for us to have that proper political debate, but when we are in receipt of better information.

2630 The amendment gets the development of policy out of Committees and on to the floor of this Assembly, and I think that is important. I think it is perhaps a characteristic of this States that a great deal is being done inside Departments and Committees, but relatively little, up to this point at least, is being done in here. That is not a criticism; it is an observation, but until that balance is turned around, actually the States will not make significant progress, because big political judgements to do with social policy and poverty and need have to be taken in this Assembly.

2635 I wish this Assembly would be a bit more assertive in requiring Departments and Committees, at least to produce their thoughts on things by a particular date, which then allows the States to consider the information and make a political judgement. I think that is how we get momentum into the process of policy development.

2640 Finally, Deputy Conder asked whether I envisaged one recognised minimum level of income. Well, no, I do not and, in a sense – in fairness, I only thought of this argument when he was speaking, but I hope it is a valid one – from that point of view, ‘a recognised minimum level of income’ is an improvement on ‘minimum income standard’, because if the Policy Council had felt tied to earlier work on a minimum income standard, then that figure is prescriptively laid out already, whereas now the Policy Council will have the flexibility to determine, if it wishes, different minimum levels of income for different parts of the population. Again, that goes back to the part of this amendment which refers not just to the size of the population falling below an acceptable level, but their profile as well.

2645 I am grateful for the support of the Policy Council and for other Members who have spoken and I ask the States to vote for the amendment.

Thank you, sir.

2650 **The Bailiff:** Well, Members of the Assembly, we come to the vote on the revised amendment proposed by Deputy Fallaize, seconded by Deputy Sherbourne. Those in favour; those against.

Members voted Pour.

2655 **The Bailiff:** I declare it carried.

We move on to the amendment that has been numbered 2. This is the one proposed by Deputy Green, seconded by Deputy Le Lièvre.

2660 If I could just draw your attention to the first line of the amendment. The successful amendment that you have just approved has already renumbered the proposition in the Billet as proposition 1 and we now have a proposition 2, so I suggest this line should just read ‘to add a new proposition 3 as follows –’.

Deputy Green.

2665 **Deputy Green:** Mr Bailiff, Members of the Assembly, I trust everybody has a copy of the amendment that has now been circulated:

Amendment:

To number the proposition as proposition 1 and to add a new proposition 2 as follows –

2670 *“2. To direct that in recognition of the aim of Recommendation 5 of the Medical Officer of Health’s 113th Annual Report any Propositions laid before the States of Deliberation by States Departments in connection with the comprehensive review of personal taxes, duties and contributions referred to in paragraphs 3.1 to 3.4 of the 2013 Budget Report (Billet d’État XXVI of 2012) must be accompanied by an assessment of their likely effect on health, well being and health equity among the population.”*

2675

Members, this is a perfectly straightforward amendment which mirrors the fifth recommendation of Dr Bridgman’s Report, that particular recommendation is set out at page 585 of the Billet.

2680 I just want to explain briefly what I believe the effect of this amendment will be. The effect of this amendment would simply be that, for any propositions laid in future by Departments, under the review of personal taxes, there would have to be accompanying any such propositions an assessment of their likely effect on health, wellbeing and health equity. I think that is the simplest I can explain the likely effect, or the actual effect of this amendment.

2685 Members will be aware that the comprehensive review of personal taxes, duties and contributions is a very significant review being undertaken by Treasury and Resources and Social Security at the current time. The primary focus of that review is quite rightly on the need to put our public finances and our public services on a sustainable long-term basis. I personally fully support that process.

2690 What I will seek to demonstrate with this amendment, sir, is that, if passed, this amendment would actually complement the tax review and would help guide this Assembly towards better policy-making in the short term, and in the long term.

2695 I am not going to quote liberally from Dr Bridgman’s Report in this speech, as by now I would hope that Members are entirely clear on the general tenor of that Report. However, I do just want to touch on a few key issues from that Report, before I turn to the two main points that support this argument for the amendment.

So by way of background, it should be clear to Members that Dr Bridgman is very clear in his independent Report in saying that health equity means that everyone should have a fair

2700 opportunity to achieve their health potential; that children that live in poverty are much less likely to achieve their potential and are, indeed, much more likely to need a wide range of services, including Health Services, over their life times, that those brought up without deprivation and the stress of poverty would not require. He is also very clear in saying that income really does matter to health because of the link with material deprivation and the restriction on social participation.

The general point of the Report is that it could be said that there is a health deficit in Guernsey and that poverty does contribute to ill health.

2705 So why should Members support this particular amendment? I am going to give you two reasons. The first reason is because this amendment is fundamentally about joined-up government and joined-up thinking. The second reason is because this amendment is not seeking to prejudge the outcome of the Personal Tax Review, nor is it seeking to prejudge any of the propositions that will in due time flow from it.

2710 So taking these arguments in turn, firstly, this amendment is conducive with and will help to attenuate joined-up governmental policy. We often talk of a holistic approach to policy making. Certainly that is a word that has been banded around quite a lot in this Assembly, in the year or so since we have been here since the last election. A holistic view of policy across the range of areas is very much *de rigueur* in the States at the present time. This amendment represents a real opportunity to embed real co-ordination between fiscal and economic policy on the one hand with social and health policy on the other hand.

2715 By ensuring that an assessment of the likely effect on health, wellbeing and health equity is completed in connection with any reforms of personal taxation, duties and contributions, this Assembly will be sending a very clear signal that the era of the so-called 'silo mentality' in Guernsey Government is well and truly over, and that joined-up thinking is here to stay.

2720 Let us remember at this point that it was only a few months ago that this Assembly agreed to support the States Strategic Plan which... probably one of the best elements of that document was its emphasis on joined-up thinking. (*Laughter*) I am glad that amuses Deputy Bebb.

2725 What this amendment is *really* about is that we do not lose sight of key quality of life issues, like health and wellbeing, when we come to make important decisions on the future shape of personal taxation in this Island. When we debate proposals on tax, which hopefully will be in this term, we will quite rightly have many important fiscal and economic factors to weigh in the balance. It is not just about the sustainability of public finances, nor is it about dealing with the massive implications of the demographic time bomb; it will also be about whether a particular tax change will either add to or subtract from our coffers; but it will also be about whether a particular measure is efficient or inefficient, or equitable or inequitable.

2730 Given that array of deep fiscal and economic considerations, social issues and health issues can sometimes struggle to get a look in, and that has traditionally been part of the problem, not only in Guernsey, but in other jurisdictions as well. So supporting this amendment, Mr Bailiff, will ensure that a timely consideration of how particular tax reforms may or will affect outcomes will take place.

2740 It will truly enable this Assembly to make good quality, well balanced decisions, fully aware of the potential implications for social policy and health – and that must be sensible. That must be sensible in light of HSSD's 2020 vision.

2745 Now, naturally, this is an amendment that will helpfully bring into sharp focus the inevitable policy tensions that do exist between fiscal policy and health and social policy. Of course, not all such tensions can be reconciled, no matter how hard we try. To adopt the language of the SSP again, such tensions can be the driver for debate and for compromise, within our system of government. So ultimately, this amendment, if supported, will provide the good quality evidence to this Assembly, which will help us find the best balance between tax policy and health outcomes.

So that is the first reason why you should support this amendment.

2750 Secondly, the other reason why Members should consider supporting this amendment is because, quite simply, this is not seeking in any way to prejudge anything at all. It is not seeking to prejudge the outcome of the review on personal taxation. By voting for this, you will not be committing this Assembly to anything beyond the need for the health assessment itself. You will not be trying to tell States Departments which direction they should be going in, one way or the other. So this is not an amendment which is about trying to micromanage anything. It is truly about trying to ensure, as I have already said, quality information is available to the Departments and to this Assembly to properly gauge those impacts on health outcomes.

2755 The next stage of the Personal Tax Review, in terms of what the States will do with such an analysis, is entirely an issue, in my view, for this Assembly to determine at a future point. That is not, in my view, something that we should try to get at or speculate on or indeed prejudge at this time. It will be entirely a judgement for the Departments themselves in putting forward their

2760 recommendations and for Members of this Assembly as to how they respond to any tax proposals which may have some identifiable impact whether positive or negative upon health outcomes.

So Members, Mr Bailiff, a common sense reading of this amendment's wording suggests to me that, in truth, this is a very modest amendment, which seeks to bring into effect the fifth recommendation of the Medical Officer of Health's Report.

2765 Just in case anybody is in doubt as to whether this is a modest proposal or not, I would remind you of the wording attached to recommendation 5, which is at page 585, and Dr Bridgman used the words, and I quote, 'at least' within that particular recommendation. I would suggest that that confirms that this is a pretty modest, a pretty minimal suggestion or recommendation.

2770 Sir, Members of the States in conclusion this amendment represents an opportunity to show that fiscal and economic policy will be made by this Assembly in future, in a true spirit of joined-up thinking, with real regard given to health issues. It is consistent with the States Strategic Plan. It is consistent with HSSD's 2020 vision. Let us well and truly consign the silo mentality to the dustbin, and I ask you to support this amendment.

2775 **The Bailiff:** Deputy Le Lièvre, do you formally second it?

Deputy Le Lièvre: I do, sir, and reserve the right to speak.

The Bailiff: Does anyone wish to speak? Deputy Storey and then Deputy Adam.

2780 **Deputy Storey:** Thank you, sir.

I just, once again, would like to say that HSSD Board discussed this amendment at their meeting on Tuesday. The point that Deputy Green makes is quite true, that there are strong links in this to HSSD's 2020 Vision. In fact, there was a section of that 2020 Vision which set out the view that the whole of the States are in some way or other responsible, directly or indirectly, for the health of the population, and there was a request which effectively was accepted, when the 2020 Vision was accepted, that all Departments should take into account the likely impact on the health of the population when formulating policy. That is part of the 2020 Vision, so I would hope that T&R would have been doing this anyway, so therefore we at HSSD are happy to support this amendment.

2790 I should actually, though, point out that in order to assist T&R in their work, there are likely to be resource implications for HSSD, which are always a problem where budgets are under pressure. So, yes, we are in support of this amendment, but there will be resource implications for the Department, I fear.

2795 Thank you.

The Bailiff: Deputy Adam.

Deputy Adam: Thank you, sir.

2800 Both Deputy Green and Deputy Storey mentioned the HSSD 2020 Vision and I feel they are correct, but I would have to ask Dr Green, how would he know anything about health and wellbeing and health equity, (*Interjection*) if he – sorry, Deputy Green – (*Laughter*) if he had not done the Healthcare Review?

2805 The whole point about this is you must have a healthcare review to know where the money has been spent, to know how well the money has been spent and, as Deputy Green has said, we know that a lot of people cannot afford to go to the GP; we know a lot of people cannot afford to go to the dentist; and I also know when I went to the vet, it cost me £90 this week – that was not for myself (*Laughter*) but my dog, and that, sir, is a luxury. A lot of people with animals maybe cannot afford these things. Now, unless we do a healthcare review to assess the overall situation, there is no point in having this amendment.

2810 Other things that HSSD used to do and will continue doing is to look at tobacco and the cost of tobacco. If you remember the Members of this Assembly and the hassle that I had of trying to get through the last lot of the strategy of tobacco, of not having it displayed, etc, of having licences; yet the next strategy for tobacco is going to be even more stringent because it is felt that it is one aspect of the Healthcare Review.

2815 And sir, I see Deputy Jean shaking his head, but this is the whole point of being joined up: looking at issues. Obesity is another issue where HSSD has got funding and therefore that comes into overall health equity and health wellbeing.

Therefore, a lot of work is being done, but unless we can get an overview of the situation, try and control the spending or assess the spending of the specialist group, MSG contract,

2820 physiotherapy contract, and Deputy Hadley, the A&E contract. Until we can get these assessed and looked at, you will not know what taxation benefits, etc, you require, and since health and its surrounding aspects are so important to overall spends, since HSSD spent a third of the revenue income, I suggest it would be beneficial if the Board of Health would progress the Healthcare Review, which they refused to bring forward in February.

2825 Thus I support this, but I would like Deputy Green to explain how we can assess things without the basic knowledge of assessing a Healthcare Review within Guernsey, which includes GPs, physiotherapists, opticians, MSG and all other aspects – and dentistry is the other main one, because that is what hits. MSG is okay to pay for, but the others hit people who are less well off and they cannot afford the luxury, unless they can afford to buy insurance to go and see the GP.

2830 Thank you, sir.

The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, sir.

2835 I certainly understand Deputy Green bringing this amendment, and I would agree with him that it is on the face of it relatively straightforward, but I would agree that – I think it was Deputy Storey has mentioned in relation to the 2020 Vision – I think it goes further than the 2020 Vision, which refers to taking into account the health implications of policy. This is going a lot further.

I have a number of concerns around this amendment and I would like to address those.

2840 I am not sure, as Deputy Green is aware, the comprehensive review is one of Personal Tax, Pensions and Benefits and yet the amendment only refers to ‘personal taxes, duties and contributions’. Yet I would expect changes to the pensions regime and the benefits regime to have as equal an effect – or quite possibly a greater effect, or certainly equal anyway – effect on health, wellbeing and health equity, so I am curious as to the rationale for that omission.

2845 My concerns really are the practical implications of what is being proposed here. How do we measure the likely effect on health equity for these purposes? Health equity is defined in the Medical Officer of Health’s Report, page 668:

‘Equity in health implies that ideally everyone should have a fair opportunity to obtain their full health potential...’

2850

This is the definition, but these are fairly vague concepts and, more pragmatically, that no one should be disadvantaged from achieving this potential, if it can be avoided.

2855 The term ‘inequity’ refers to differences in health which are not only considered unnecessary and avoidable, but in addition, they are considered unfair and unjust. The concept of wellbeing: wellbeing is not defined. I assume in the context of the Health Report we are talking about physical or mental wellbeing, and again, the implications of any tax changes are quite likely to have an effect on wellbeing. We know that if we raise any tax which is taking more out of people’s pockets, and particularly those who are least able to afford it, that could well affect their wellbeing and their mental health, and so on. But how do we actually practically measure that – and, as I say, particularly in the absence of a definition of wellbeing.

2860

I think the other point is the one which is perhaps the most substantive and the one which Deputy Storey has already touched on which are the resource implications of what is being proposed here.

2865 Unlike the other amendments before you today, Members of the Assembly should be aware, this does have very real resource implications. We simply do not have either in Treasury and Resources team or I would suggest in the HSSD team, which I think Deputy Storey was alluding to, the resources, or the skill set, or the experience to be able to properly discharge this. My fear is that if this is passed, then anything that comes out will be very, very superficial, if at all.

2870 So, taking a simple example of one of the measures which is illustrated – and I emphasise *illustrated*, because it is not proposed in the consultation – changes to TRP. If TRP goes up, then, as I have alluded to, that will mean that those that are poorest will suffer the impact of that.

But quantifying and evidencing the impact on health, wellbeing and health equity, I would suggest is going to be nigh on impossible, with any degree of... to give this Assembly any degree of comfort that what is before them is properly evidence based.

2875

Similarly, if we were to abolish all the various income tax allowances and roll it into one larger income tax allowance – again, one of the illustrations which is given in the consultation – the same problem, I would suggest, arises.

2880

For me, this is really a question of the practicality of what is being proposed, the cost implications of what is being proposed. I do think that Rule 15(2) is probably engaged here. I am not aware of any other jurisdictions that are capable of doing this. That is not a reason not to do it,

of course, but I think again you should just be aware that we would be seeking to be world leaders, but perhaps without the resources to do so.

2885 My other concern in relation to the comprehensive review is that, again, if anything meaningful is to be produced, it risks grinding that whole process to a halt. I cannot believe that that is what Deputy Green would wish or intend, because I know that he is very actively involved in the process.

2890 Of course, one of the key objectives of the tax review is to produce a tax system which in itself is fair and, of course, one of the points which has been made many times during the consultation process is that fairness itself is a concept which is subjective. It is, I would suggest to Members of the Assembly, a good proxy for the concern in relation to this issue.

So, I would urge Members to reject the amendment. I do understand, as I say, why it is before us, but Members should not ignore or be unaware of the very significant potential resource implications that it has for us and, as I say, I do think there is a risk in relation to Rule 15(2).

2895 Thank you, sir.

Deputy Langlois: Sir?

The Bailiff: Yes, Deputy Langlois?

2900 **Deputy Langlois:** Could I ask for a point of clarification from the Treasury Minister, please?

2905 By implication in what he was saying I think he is invoking Rule 15(2) and suggesting that even if this amendment is passed, and then passed as a proposition – and sorry, he may have been planning to do this in the main debate – but if this is part of the proposition, Rule 15(2) would require a return to the Assembly to resource this, because as joint sponsor, leader, whatever it is, of the Personal Tax Review, I would agree with his comments totally about the resourcing problems.

Deputy St Pier: Sir, yes, that is what I was suggesting is that I think it would be necessary to come back, if this proposition is passed, scoping the resource implications.

2910 **The Bailiff:** Deputy Fallaize, were you wanting to raise...? You wanted to speak.

Deputy Fallaize: Thank you, sir. This is not what I wanted to say, but I would say I think that we – (*Laughter*) Deputy Langlois has just made me think of something else!

2915 I think it is important that we... I do not think that we can leave here today with Rule 15(2) possibly having been engaged or possibly not having been engaged, because we cannot allow Departments and Committees to emerge from the States and at a later date decide whether Rule 15(2) applies. Okay, now Deputy St Pier chose to query the words in this amendment – the comprehensive review of personal taxes, duties and contributions.

2920 Well because of one of those horrible electronic things that some people have, I was just able to look up the 2013 Budget Report which, of course, was produced by Deputy St Pier's Department, and that Report refers to a comprehensive review of personal taxes, duties and contributions. So it appears to me that Deputy Green has lifted the words from Deputy St Pier's own Budget and incorporated them in his amendment.

2925 So I do not really understand what T&R's objection is to Deputy Green having called it that in his amendment.

The Bailiff: I think Deputy St Pier wishes to assist you.

2930 **Deputy St Pier:** Perhaps I could respond to that.

2935 Of course, it is not surprising that the Budget Report referred to that, because that of course is what the T&R Department is responsible for and that is what the Budget was there for. But, I think all Members of the Assembly are aware and, of course, the Social Security Department, of which Deputy Green is a Member, are well aware that this does extend to pensions and benefits, and that was my point. I do understand that it probably has been lifted from the Budget Report, but nonetheless there are wider implications.

The Bailiff: Deputy Fallaize.

2940 **Deputy Fallaize:** Thank you, sir.

Deputy St Pier also says that if this amendment is approved, the States would be requiring Departments to become world leaders. I do not think it would be requiring Guernsey to become

2945 world leaders in anything. Actually, when budgets are produced in other jurisdictions, they are very often put through all sorts of analysis – sometimes carried out by Government Departments or Government agencies; sometimes by external agencies which do attempt to examine in quite forensic detail the effects of fiscal policy changes on the kinds of areas of social policy that Deputy Green is addressing in this amendment. So I do not think there is anything new or revolutionary proposed here.

2950 I thought that when the Treasury Minister spoke, he was actually going to say, ‘Look this amendment is totally redundant, it is so benign, because of course we would have to do this anyway, so there is no point voting it for it.’ I expected that would be the line of resistance. The fact that Deputy St Pier has said the opposite has only made me more motivated to support the amendment, (*Laughter*) because I think that what he appears to be saying is that, as of today, when that comprehensive review of personal taxes, duties and contributions is carried out, the Treasury and Resources Department does not intend that it will include an assessment of the likely effect of their proposals on health, wellbeing and health equity among the population.

2955 I do not understand how we can be comfortable with allowing any States Department to undertake a very major review of fiscal policy, without requiring them to take into account very key determinants of social policy.

2960 Actually, the only time I fluctuated with this amendment was when Deputy Green said that it might cause an end to silo mentality; but actually he does have a point in the sense that, even if one does not accept the term ‘joined-up Government’ in the way that some Members of the Policy Council sometimes use it – and I rather defend the right of States Departments to take their own view of things and come to the States, and we have had all those debates in the past – but it is important that when Departments present proposals to the States, they at least take into account the effects that their proposals may have on areas that are covered by the mandates of other Departments.

2965 It seems to me that, if we are going to undertake what is... well, we do not know whether it is going to be radical, but we do know it is a fairly major review of fiscal policy, surely it is going to have to take account of health, wellbeing and health equity among the population. I dread to think what kind of fiscal policy decisions we might end up making, if we are not going to take into account those things when we make that policy.

2970 The final point I want to make is that, in the Tax and Benefits Review papers that the Departments have circulated, there is mention of three guiding principles – one of them I think is sustainability; efficiency, I think might...? Right, sustainability and efficiency, but the important one is fairness. There is mention... Deputy Langlois is shaking his head, but I think I am right, the third one is fairness.

2975 Now if that is not engaged by Deputy Green’s amendment, then I do not quite know what fairness in the context of this Tax and Benefits Review actually means. That is the overriding reason why I want the States to support this amendment.

2980 I fully support the review of personal taxes and contributions and benefits. I fully support the Treasury and Resources Department and the Social Security Department coming to the States with proposals as soon as possible. One of the reasons I support it is because I do not believe that efficiency savings alone will balance the budget, so I think it is inevitable that we will have to undertake a comprehensive review of fiscal policy; but when these fiscal policy proposals come back, we must take account of social policy as well. Otherwise it will be no different to me or any other Member of the States standing here and proposing something quite radical in social policy terms and having absolute disregard to fiscal policy.

2985 I could come here and propose a 40% increase in the minimum wage Commerce and Employment propose, and I would be told, ‘Look, that might achieve things in terms of social policy, but it is going to drive a coach and horses through fiscal policy, so it is irresponsible.’ We have to join up Government.

2990 So I think the States has to set the same obligation the other way round: when a Department comes to the States with fiscal policy proposals, it must take account of social policy. That is what Deputy Green’s amendment is requiring and, as I say, the fact that the Treasury Minister is opposing this amendment only makes me think it is more important that the States votes for it and sets that obligation down now, before T&R and SSD get into the meat of their Review.

Thank you, sir.

3000 **The Bailiff:** Deputy St Pier, is this an interruption under Rule 12(6)?

Deputy St Pier: If I may, I would like to explain the statement previously made. I have a feeling that what I may have said may have been misconstrued: that is the basis on which I would like to rise, sir.

3005 Deputy Fallaize was suggesting that what I had said had caused great concern. I think the point that I was making was the fairness, which he referred to as well, is the proxy for dealing with this issue. That was the point that I was making and that I think is exactly the point he was making.

3010 My concern is that this takes it to a whole new level of detail of assessment, and it may simply be a misunderstanding of what it is that Deputy Green is proposing, but in terms of... I am reading it as a very literal interpretation and requiring a high level of detail of the assessment of the likely effect on... whilst the concept of dealing, presenting proposals, coming back to the Assembly with proposals which produce a fair tax system would be taking account of social policy.

The Bailiff: Deputy Le Tocq.

3015 **Deputy Fallaize:** In which case, can I ask the Policy Council to consider doing what it did with my amendment and suggesting a form of words which might also be acceptable to the proposer and seconder of the amendment. Because the key in this amendment is that it requires propositions that are laid before the States, so the actual propositions would require assessment of social policy determinants.

3020 So can I just make that suggestion perhaps to Deputy St Pier.

Deputy Le Tocq: Sir, I rise to speak and it is not a good time to say what I am going to say, but I think I will say it now, because this illustrates exactly why... The way things are going this is not the right way of dealing with things.

3025 First of all, I am concerned, sir, that we are debating a statutory official's report in this manner. Normally, it is dealt with as an appendix and it will be to note, and if there were issues to come out of that then it would be down to, I think a far more appropriate way a Requête, which would give opportunity for the Policy Council and other Departments to properly consider a response to the prayer of the requérant in those sorts of circumstances.

3030 What we have got now is the danger of policy making on the hoof, where we have not got proper opportunity to consider and discuss with appropriate information and advice given to us as to what we should do.

3035 I think, I honestly believe that Deputy Green, and in fact others... in fact most of the amendments are fairly benign, but nevertheless, they raise the principle of doing things in this way that I think would be a bad precedent to state. What Deputy Fallaize has just suggested, perhaps another recess, adjournment, in order for us to discuss what might be more appropriate wording is exactly why things should not be done in this way, and it is better when we have much more time to devote to thinking about the implications properly, with the proper advice given through a Requête. That is the proper way of dealing with these things.

3040 I do not disagree with many of these things, but I think the sort of to-ing and fro-ing that is going on at the moment is inappropriate for this Assembly, sir.

The Bailiff: Deputy De Lisle, were you wanting to speak? No.
Deputy Kuttelwascher, then Deputy Langlois.

3045

Deputy Kuttelwascher: A number of points, sir.

Deputy Fallaize referred to the 2013 Budget Report quite rightly, paragraphs 3.1 to 3.4, which are referred to in this amendment.

3050 The issue is this – to be pedantic, if I may, and it sort of catching, this pedant nature – why did Deputy Green only refer to personal taxes, duties and contributions, and not everything in that section? That is the problem. That is all he has referred to in this amendment and that is all we are required to consider, according to this amendment.

3055 Secondly, it has been identified that there will be resource implications, so when I finish speaking, maybe HM Comptroller can confirm that Rule 15(2) would be invoked and that any proposals would have to come back again to this Assembly with funding.

The other issue is, on the Treasury and Resources Board, we are now fortunate, we have got a health professional, recently elected. Now, would the Assembly accept a personal assessment of Deputy Adam as to the likely effect on health, wellbeing and health equity, of a particular item? He has just said he would not, because we do not have the tools to measure it.

3060 I think the practicality of actually delivering on this amendment at this time is not possible and I would like HM Comptroller to let us know whether or not Rule 15(2) is applicable to this amendment.

3065 **The Bailiff:** Madam Comptroller, can you assist us?

The Comptroller: Thank you, sir.

3070 I think this is one of the difficulties of amendments sometimes being laid slightly late, because in fact, if Rule 15(2) is engaged, then so is the Rule in Rule 13(2), in which it would not have been laid within the requisite time period, and to the extent this demonstrates the difficulty where we have the Minister of T&R who is saying there is a possibility this will cause extra revenue, there is an opportunity within Rule 15(2) for the proposer of an amendment to establish in advance and obtain information from the Department, if it is thought that extra revenue might be engaged.

3075 But of course, it is all very well saying this with hindsight. The better view, of course, would be in advance, if you think there might be an issue about revenue, to seek the views of the Department before such amendment is laid and drafted, if I can express it in that way.

In this decision now, with the late amendment, where the Minister is saying there could be resource implications, of course you will see from Rule 14(2) that normally there would need to be an estimate of that increase in expenditure. So it is not really good enough, if I can put it as bluntly as that, to say there *may* be; we need to know *is* there going to be an increase in expenditure?

3080 I am not saying that by way of criticism to the Minister of T&R, but that would be the effect, if Rule 15(2) was engaged.

3085 I cannot possibly be the judge as to whether there will be a particular amount or increase in expenditure, but if the Minister for T&R does feel very strongly that that is the case, that is something for the Assembly to consider; but then also the Rule under Rule 13 would consequently be engaged.

3090 Of course, sir, there is another potential option, which is, as Deputy Le Tocq has also noted, this proposition is merely to be noted, so of course an amendment which is going further than the proposition, would also engage Rule 13(6), which does give the option for the amendment to be postponed.

The Bailiff: Thank you for that.

Deputy Langlois is going to speak next, then Deputy Soulsby.

3095 **Deputy Soulsby:** On Rule 15(2), because I seem to recall a few months ago, I think it might have been through the FTP debate, the fact that more resources were needed to produce information was not enough to invoke Rule 15(2).

3100 **The Bailiff:** All the Comptroller is saying is that she does not know. All the Minister of Treasury & Resources has said is that it may engage it; but the Comptroller has said it is not for her to judge whether it does engage, because it is not for her to judge whether it will result in an increase in expenditure.

3105 **Deputy St Pier:** Sir, perhaps I should explain why I am unable to be more specific – and I think that comes back to Deputy Le Tocq’s point – it is seeking to understand and interpret the scope which Deputy Green is expecting.

In making my comments, I have interpreted it quite literally, as providing quite a high level of standard, which would require the requisite skills and resources to so report. That may not be Deputy Green’s expectation, and so it really is dependent on his expectation.

3110 I think the suggestion possibly to take a brief recess may actually help, because otherwise I fear it is becoming a rather circular...

Deputy Green: I would certainly welcome that, sir. I think that is a very sensible way forward.

3115 **The Bailiff:** We will take a short break then.

*The Assembly adjourned at 4.08 p.m.
and resumed its sitting at 4.26 p.m.*

3120

**113th Medical Officer of Health Annual Report
Debate continued and adjourned**

3125 **The Bailiff:** Deputy Green.

Deputy Green: Sir, I appreciate the forbearance of Members and for that brief adjournment. I would like to withdraw the original version of the amendment and there is a replacement amendment that has now been circulated.

3130 Perhaps I can just read the amended wording:

3135 *'2. To direct that in recognition of the aim of Recommendation 5 of the Medical Officer of Health's 113th Annual Report any Propositions laid before the States of Deliberation by States Departments in connection with the comprehensive review of personal taxes, pensions and benefits will, subject to existing resources available to the States, take into account the potential impact on health, well being and health equity among the population.'*

I am led to believe that that form of wording will be agreeable to more Members and including the Minister for T&R.

3140 **The Bailiff:** Can I just add that in the first line we need to phrase it 'to add a new proposition 3 as follows -'.

Deputy Green: Indeed, sir, yes.

3145 **Deputy Kuttelwascher:** Sir?

The Bailiff: Yes, Deputy Kuttelwascher?

3150 **Deputy Kuttelwascher:** Sir, I believe this amendment goes beyond the original proposition. I would like to invoke Rule 13(6) that it be not debated.

3155 **The Bailiff:** Yes, it does go beyond. Is that going to actually save time, Deputy Kuttelwascher, or is that...? We will have to have a recorded vote to see whether your motion is supported by more than one third of Members and I do not know how many people wish to speak in debate, but that will take us some time.

Deputy Kuttelwascher: Sir, I do not want to go into a speech, but I am of the same view as Deputy Le Tocq and that is the reason I am doing it.

3160 **The Bailiff:** So you are wanting -

Deputy Green: Sir, the debate has already started...

3165 **The Bailiff:** You have just withdrawn the old amendment and laid a new amendment, I am afraid. *(Laughter)*

So if Deputy Kuttelwascher is invoking Rule 13(6) I need to put to you the proposition that the amendment be not debated, and we will have to have a recorded vote to see whether it is supported by not less than one third of Members, or... Yes, I think we have really got to do that.

3170 Madam Comptroller.

The Comptroller: Yes, well, there is an alternative, that debate on the amendment be postponed.

3175 **The Bailiff:** But he has... Well, he said not debated.

The Comptroller: Yes, if that is what -

The Bailiff: That is what he wishes, not debated. Deputy Dorey?

3180 **Deputy Dorey:** Is it worth just reminding States Members what a *Pour* and *Contre* makes, because it is the opposite way round to what it might be thought.

3185 **The Bailiff:** The proposition is that the amendment be not debated. So if you say *Pour*, your wish is that the amendment be not debated. If you go *Contre*, you are inviting debate.
Deputy Langlois.

Deputy Langlois: But sir, if we vote not to debate it, we still vote on it later?

3190 **The Bailiff:** No, we vote not to –

Deputy Langlois: We accept the –

The Bailiff: We vote not to debate it, then it does not go, that is it.

3195 **Deputy Langlois:** It falls, right sorry, sir.

The Bailiff: It falls, yes. So the motion is that the amendment be not debated. If you do not wish the amendment to be debated, vote *Pour*; if you wish to have a debate, vote *Contre*.

3200 *There was a recorded vote.*

Not carried – Pour 14, Contre 32, Abstained 0, Not Present 0

POUR	CONTRE	ABSTAINED	NOT PRESENT
Deputy Perrot	Deputy Brouard	Deputy Luxon	None
Deputy De Lisle	Deputy Wilkie		
Deputy Hadley	Deputy Burford		
Alderney Rep. Jean	Deputy Inglis		
Alderney Rep. Arditti	Deputy Soulsby		
Deputy Kuttelwascher	Deputy Sillars		
Deputy Domaille	Deputy O'Hara		
Deputy Stewart	Deputy Quin		
Deputy Gillson	Deputy Harwood		
Deputy David Jones	Deputy Brehaut		
Deputy Spruce	Deputy Langlois		
Deputy Paint	Deputy Robert Jones		
Deputy Le Tocq	Deputy Le Clerc		
Deputy Adam	Deputy Gollop		
	Deputy Sherbourne		
	Deputy Conder		
	Deputy Storey		
	Deputy Bebb		
	Deputy Lester Queripel		
	Deputy St Pier		
	Deputy Le Pelley		
	Deputy Ogier		
	Deputy Trott		
	Deputy Fallaize		
	Deputy Laurie Queripel		
	Deputy Lowe		
	Deputy Le Lièvre		
	Deputy Collins		
	Deputy Duquemin		
	Deputy Green		
	Deputy Dorey		
	Deputy James		

3205 **The Bailiff:** Members, the result of the vote on the Proposition that the amendment be not debated was 14 votes in favour; 32 votes against, with 1 abstention.

So the number voting on the motion was 47; 14 were in favour, which by my maths is less than one third of the Members voting, so the Proposition does not have effect and that means that we debate it.

3210 Is that your understanding, Madam Comptroller?

The Comptroller: Yes it is, sir, yes.

3215 **The Bailiff:** So the debate proceeds. Does anyone wish to speak?
Deputy Trott.

Deputy Trott: Just for future reference, sir. You count an abstention as having voted, when –

The Bailiff: Well, even if it does...

3220 **Deputy Trott:** Well, it makes no odds, but just for future reference –

The Bailiff: It makes no odds.

3225 **Deputy Trott:** I think an abstention should not be part of the aggregate.

The Bailiff: You may be right, Deputy, but you may be right... It makes no difference whether it is 46. Yes, I think you are right there. Thank you, Deputy Trott. *(Laughter)*

3230 **Deputy Trott:** As always, sir, it is a genuine pleasure! *(Laughter)*

The Bailiff: Deputy Bebb wishes to speak in debate.

Deputy Bebb: Thank you.

3235 Very briefly, we all know, and as we have heard from Deputy Adam previously, HSSD spends a third of the revenue of the States and that is by far the largest expenditure and it is unsurprising that a number of people who enter the services of HSSD are particularly expensive. It is a very expensive service to provide. Therefore, we realistically have to have due consideration that, when we make any large scale changes to the tax system, it will, as is evidenced, have an effect on wellbeing and health.

3240 It is my contention that the mandates of every single Department have within them the requirement to give due regard for the finances of that Department for very obvious reasons and we all are supportive of the fact that every single Department should be mindful of their financial resources; but what we fail to do is to give due consideration as to the health and wellbeing implications that each and every Department has on this Island.

3245 By not giving that due regard to health and wellbeing, what we are doing is saying that is fine, we will clear up the costs when you hit HSSD, and realistically, as we have heard this week already, we are not so happy when HSSD goes and overspends. Therefore, this, to my mind, is an eminently sensible proposition. It goes to the point that we should have due regard, and I will support it, despite the fact that Deputy Green at certain points makes close references to it, with
3250 the SSP on which he knows my opinion.

Thank you.

The Bailiff: I did not ask Deputy Le Lièvre whether he formally seconds the revised
3255 amendment. Deputy Le Lièvre, do you do so?

Deputy Le Lièvre: I dare not say no, sir. *(Laughter)*

The Bailiff: Thank you, Deputy Le Lièvre.
3260 Deputy Langlois.

Deputy Langlois: Yes sir, thank you.

Fairly briefly, I will try and convert this, what was going to be a speech against the amendment into a speech for the amendment, *(Laughter)* because we have just agreed to a different
3265 amendment now, sir! So forgive me if I lose the odd ‘not’ and ‘do not’ and things like that in there.

First of all, can I thank those speakers who were debating the now defunct amendment for their full support of the Personal Tax Review, because... I have tried to note their names and I will try and remember who they were and recall that full support when it turns into proposals at a later
3270 stage.

It is a very important project and it is progressing well and perhaps later on in this debate about the main Report, it will be worth incorporating an update because it is so relevant.

3275 Just to reinforce, I will be supporting the amendment as it now stands, and I think the main reason for that is also to reinforce what is, to me, the obvious and that is that there are so many links in what we are doing in the Personal Tax Review with health through the funding route, through the route that my Department manages the health fund and the long term care fund, both of which are mentioned in the Personal Tax Review, through that funding route and the effect on that funding route and any knock-on effects that changes in the tax and contribution system or the pricing at the other end might have on those funds. So that is one route.

3280 The knock-on effect of that is that we cannot conduct this review and we cannot convert the review results into proposals without some very close co-operation with HSSD and that has always been the intention, certainly of my Department throughout. Hence the fact that one of my Department, probably, is proposing this amendment, and so on.

So please, now it is there, support it and it will be incorporated.

3285 **The Bailiff:** Does anyone else wish to speak? Deputy Le Lièvre.

Deputy Le Lièvre: Thank you, sir.

3290 Earlier on in the previous debate, Deputy Dorey made reference, when talking about benefits, etc, to MEAS – the Medical Expenses Assistance Scheme – which was introduced prior to the Medical Specialist Group coming about. It gives the impression that MEAS is there to pick up those people who fall through the ‘ability to access health’ basket.

To give you some idea of the quantum, the 2,000 beneficiaries on supplementary benefit in 2011 cost the States £1.7 million for their health care: that includes chiropody and dental and physiotherapy, etc. That 2,000 people – £1.7 million; MEAS 2011 was £130,000.

3295 So on the one hand, supplementary benefit equates to £900 per person, MEAS is £2 per person for the other 61,000 in the Island. It would not even get them by bus to the doctors’ practice. (**A Member:** Bus!) (*Laughter*) If they could find one, that is! (*Laughter*)

Let us not walk away from this Assembly today thinking that MEAS picks up the tab, because it quite clearly does not.

3300 The key basic requirement – and I thought this was going to be a very innocuous amendment without any... there was not really anything troublesome about it whatsoever – but the key basic requirement of health equity is the ability to access the medical profession in the first place. If you cannot do that, then you are completely unequal. That has got to be the case and I honestly believed... What we were asking for was not an all-singing, all-dancing review of health assessment over the whole Island. It was rather more, something slightly more than the back of a cigarette packet, but certainly, it would have ironed out some of the glitches that exist already.

That is what I envisaged, and I envisaged no more than that, and in fact that will have to be done as part of the tax and benefit review to ensure that what the Policy Council or T&R or whoever comes out with does not actually introduce more glitches that we have got at the moment.

3310 I now refer to what I wrote, because the first couple of paragraphs would seem somewhat wrong now.

But I did say this: as amendments go, this amendment is about as demanding as a mother’s cry to a young child not to forget to clean his or her teeth before they go to school. It was a gentle reminder about an important task. I honestly did envisage this as a sort of stress test. The amendment should, in my mind, be regarded as a form of quality assurance or stress testing against the failure to connect future tax and benefit inputs with health equity outputs. It is as simple as that. Unfortunately, even recent history underscores my assumption that I made there that if such performance indicators are ignored, then we are going to end up in a worse position than we are at the moment.

3320 Members must understand that our current welfare structure is literally – (*A phone rang.*) there is 10 quid! (*Laughter*) – riddled with health inequities, some obvious and some not so obvious.

3325 The continued presence of such inequities creates an unfair and unjust society, where the currency is literally pain and suffering and that is not emotive claptrap. If you stop people going to the doctor or you discourage them by not giving them enough money, they do obviously suffer pain. As I said, some of the inequities are obvious, others less so.

3330 There is a classic one where we have done all we could for a certain sector of the community and the scheme we have is good and it is Housing’s Rent and Rebate Scheme, but it is one of the more obvious examples where unfairness exists: firstly, the fact that no such scheme exists or is available to tenants in the private rental sector; secondly, that social housing in Guernsey is very well maintained – as opposed to what it said in the press, where some estate agent claimed it was not, but it *is* very well maintained. It is no direct cost to the tenant, other than by a small element in the basic rent calculation, which is as it should be and, of course, which can be rebated.

3335 Finally, as far as the Rent Rebate Scheme goes, the rent itself is subsidised even before the rebate scheme is applied. The rent charged to States tenants is not a commercial rent and never has been and it never will be. You have health inequities there – a supported part of the population and they should be supported because, in theory, they are the lowest income group but they are better off than some other people.

3340 The above is a classic case of the States providing an almost holistic support environment to the detriment of those who have to live outside of it. Now, I say ‘almost’ within that system, because there exist within that system inequities created by the social welfare benefit system. Ironically, the inequity that immediately springs to mind – and I have to be fair – is more likely to impact owner-occupiers than it is with social housing tenants. I refer of course to the ever growing gap – and this is a *massive* health inequity – between the social insurance pension, that is the old age pension, and the requirement rate for a single householder or married couple who are living in an owner occupied unit and do not receive any allowance or rent which would push them into supplementary benefit and would give them, on the other hand, medical assistance as well.

3345 If you have got your old age pension, you live in a home without a mortgage, without rent or whatever, you are excluded, and yet lots of people are living on their old age pension and they are worse off than if they were living in social rented accommodation or even rented accommodation in the private rental sector. That example, if you like, is at the bottom of the financial ladder, so to speak.

3350 Inequities are beginning to creep in slightly higher further up the scale due to different policies being adopted by Social Security and Treasury and Resources.

3355 The tax allowance pension ratio for single and married pensioners has varied significantly over the last 20 or so years, such that the ratio was 1.48 to 1 for single pensioners in 1991; it is now 1.16 to 1 in 2013 and that is a good thing.

3360 Social Security have pushed up the value of the old age pension very significantly, at a rate higher than the tax allowances have gone up, but they have gone up as well, very significantly, but the wriggle room between the two has shrunk. So there exists the possibility that somebody who was not paying tax 20 years ago will indeed be doing so now and that too will gradually erode the disposable income which will obviously... some of which would go on paying medical bills. It is only a small thing at the moment, but if you look at the Social Security’s policy of reviewing supplementary benefit rates at a lower rate than old age pensions, that gap is now huge, absolutely vast.

3365 Going back to the days when I operated, or was responsible for the Central Outdoor Assistance Board’s Medical Scheme, I had expenditure there of over a million pounds. That was in 1983 and it involved *thousands* of pensioners. If you examine the current number of pensioners in receipt of medical assistance, as per the SSD accounts, it is only in hundreds. It looks brilliant. It looks as if we have done a wonderful job there. No, you have not actually – you have actually restricted access to help with your medical bills. That is an inequity. It is an inequity that Dr Bridgman has referred to and it has got to be got rid of.

3370 This is what I hoped the Tax and Benefit Review – without going over the whole same ground all over again – that is what I had originally hoped this would sort out.

3375 Do we want to leave it to trust or chance that these inequities will be driven out? They are buried deep within our social welfare structure, or is not better to conduct a health check of any proposals before they are put into practice?

3380 I was really *very* disappointed when I thought we would not get the opportunity to debate this. I think there has been a definite benefit from speaking with the Treasury and Resources Minister and the Minister of Social Security, etc and indeed the Minister of Health outside, having our punch-up outside of the Assembly and coming back in bruised and battered, but at least with something we can vote on that will be for the good of the community – and that is what this is all about. (**A Member:** Hear, hear.) There is not... I do not believe, the way it is now worded... There might have been, in relation to what Deputy St Pier said, there might have been a huge cost. I do not think there is now.

3385 It is not a fag packet review, but it will be a little bit of a stress test which will rule out some of the inequities that have existed for decades, and I am glad that there is (a) an opportunity to debate it and (b) the possibility that it might actually be voted in favour of.

3390 Thank you, sir.

The Bailiff: Does anyone else wish to speak?

Deputy Dorey, do you wish to make the penultimate speech?

3395 **Deputy Dorey:** Yes, please. Thank you, Mr Bailiff.

HSSD supports this amendment. An impact assessment should be done and it is important that we do it, because if we are going to, what I would say, ‘think health’, we have to ensure that we do not increase the long-term expenditure by any significant policies that we bring to this House by having a negative effect on health.

3400 Ideally, what we should be doing is ensuring that any significant change in policy is going to have a positive effect on health and wellbeing and it should be reducing or trying to reduce our long-term health expenditure. Because we know that, due to demographics, we are going to be facing increasing expenditure and we have to change the way the States looks at policy making. I think, along the lines of T&R always comments on policy letters and we should be getting to the situation... because we spent a third of our expenditure on it, we should have a comment from
3405 HSSD on the health impact of any policies. Sir, in the long term, we can really take health seriously and have an impact on long-term expenditure.

The only slightly negative point I would say is that it says 'within existing resources'. I do not quite know where those existing resources will come from, which Department. If it does come from HSSD, it means that we will not be doing something else. We do not have resources
3410 available to do this.

I am only saying that just to warn you. I think it is important that we do it, but I cannot say what we will not be doing because we are going to be doing this, if it is resourced within the Department.

I do think, long term, that we do need an additional specialist and, I hate to say, increased
3415 bureaucracy, but I do think this is a specialist subject to do health impact assessments and, in the long term, that is what we need. That is what we should be doing and we should be including comments in all policy letters or States reports, as they are now called.

I encourage the Assembly to support this amendment.

3420 Thank you.

The Bailiff: Deputy Green will reply to the debate.

Deputy Green: Sir, Members of the Assembly, I will keep this relatively brief. I would like to thank all of those Members who contributed to the debate both on the now defunct original
3425 amendment and on the amended amendment.

I still think that this amendment is very valid and valuable. It will help to achieve more in terms of joined-up Government and joined-up thinking, and it will not prejudice the outcome of the all-important Tax Review.

I will just pick up a few comments that were made very briefly.

3430 Deputy Adam made an entirely valid point about the Health Care Review and, obviously, that is an important factor, that cannot come soon enough for me, but I think we have to try to do our best on the basis of the information that we have got at the moment. I am impatient for that review as well, but I think we have to be relatively realistic and base it on the information we have got.

I entirely agree with what Deputy Bebb said that any tax changes that effect wellbeing have to
3435 be considered very carefully.

Deputy Le Lièvre reinforced the point that I was going to make which was that we never envisaged that this health assessment would be an all-singing, all-dancing affair, but a gentle
3440 reminder and I thank the opportunity to have the recess to work on the wording, because I think it is a much more pragmatic set of words now. Nonetheless, it will constitute a gentle reminder and remind those involved in the Tax Review that health, wellbeing and health equity are crucial issues that we need to look at.

I also thank Deputy Dorey, the Minister for HSSD, for his contribution just a moment ago. He made some very valid points and I particularly commend what he says about the idea of having
3445 potentially a comment from HSSD *vis-à-vis* any policies.

So Members of the States, Mr Bailiff, I would suggest that Members can support this amendment. It does constitute joined-up thinking, it will be a step forward and I ask that it be supported.

The Bailiff: We will go to the vote, then, on the amendment proposed by Deputy Green,
3450 seconded by Deputy Le Lièvre. Those in favour; those against.

Some Members voted Pour, others voted Contre.

The Bailiff: I declare it carried.

3455 Next we have the amendment proposed by Deputy Fallaize, seconded by Deputy Green, amendment 3, the first line of which needs to be amended now to read 'to add a new Proposition or to insert a new Proposition 4 as follows -'

Deputy Fallaize.

3460

Deputy Fallaize: Thank you, sir.

I know some Members are concerned about the laying of these amendments in this way. I am not going to apologise for laying amendments; it is a perfectly legitimate parliamentary tool, but I will say to Members that I am not going to take any more of their time up than necessary by trying to amend this amendment. If you do not like it, vote against it and that is the end of it. This is the final version.

3465

I will start, if I may, with a quote:

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‘Two nations; between whom there is no intercourse and no sympathy; who are as ignorant of each other’s habits, thoughts and feelings, as if they were dwellers in different zones or inhabitants of different planets. ... The rich and the poor.’

3475

Those are not the words of some ultra-leftist revolutionary, but of the Tory Prime Minister of the 19th century, Benjamin Disraeli – the founder, more or less, of the notion of one nation conservatism which advanced that above all there should be unity and harmony between all of the social classes, hence one nation.

3480

A hundred and fifty years later, epidemiologists presented compelling evidence collated from dozens of studies in 23 countries, and I think from all of the States in America – certainly most of them – which demonstrated empirically what many one-nation conservatives have known by instinct: that quality of life, from life expectancy, to mental illness, violence to educational attainment, diet to family stability is affected not just by how wealthy a society is, but also by how equal it is.

3485

Since there appears to be a correlation between income distribution and a community’s quality of life, it is hardly surprising that one of the recommendations in the Medical Officer of Health’s Report, recommendation 7, is that the States should adopt an income inequality measure or index. This amendment proposes very modest progress towards that particular recommendation, along similar lines as the first amendment I laid, proposing that by July of next year the Policy Council should set out its considered response to recommendation 7 of the Medical Officer of Health’s Report.

3490

Sir, I am not a socialist. I recognise that absolute equality is unattainable and in any event is probably undesirable, because it is incompatible with freedom. Some inequality is essential to the proper functioning of a market economy, and can conceivably incentivise investment and growth. On the other hand, too much inequality can be divisive and destructive perhaps, especially in a small community where harmony and unity are particularly valued.

3495

One instinctive response from some colleagues might be to say that equality has nothing to do with Government, that the distribution of income and capital and opportunity is always best left to market forces and Government should keep its nose out. But of course in reality that is an illusion, because we will have policies of some description or another and all Government policies have some bearing on the income and the opportunity and the extent of inclusion there is in any community.

3500

I think the issue is not whether there should ever be Government intervention, because invariably there will be. The issue is when the States intervenes, will it intervene wisely? That is something which former Deputy Stuart Falla said often in this States and I always remember it, and it made an impression on me, that the States intervenes in all sorts of ways – the issue is: is the States intervening wisely?

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It is that objective, that the States should intervene in policy *wisely*, which sits behind this amendment, because the better the information, the more complete a picture we have of our community, the more likely it is that we will intervene wisely.

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What would be achieved by maintaining the measurement of income inequality, in particular? First, it would provide the States with a key item of information which at present is missing, in determining whether its policies are contributing to Guernsey becoming more equal or less equal over time.

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Second, it would almost certainly require the States, in time, to consider whether it believes the extent of inequality actually matters in Guernsey and, if it believes that it matters, to determine what range of inequalities are acceptable; and further, to determine the point at which the extent of inequality becomes incompatible with the ordinary objectives of Government – having a peaceful community, a reasonable level of educational attainment, a reasonable level of health care, equality of opportunity, economic prosperity, etc.

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The previous amendment I laid was concerned with that part of the population which, for want of a better word, might be described as ‘the poor’. This amendment could be characterised in the same way, but I think, as Dr Bridgman’s Report makes clear, that would be a mistake, because the recommendation of the Report to which this amendment relates, the notion of inequality, is based

on evidence which indicates that societies with a bigger gap between rich and poor are bad for everyone, including the well-off. People who are well-off, as well as people who are not, generally enjoy a better quality of life, the less unequal the society as a whole.

3525 The Medical Officer of Health's Report states, while there is not currently a target on income inequality, income is such an important determinant of health that one should be set. An alternative or additional measure would be that adopted by Scotland, which aims to increase both overall income for everyone and the proportion of income earned by the three lowest income deciles as a group. There are other internationally used measures of income and equality that could also be considered.

3530 I knew, when I was drafting this amendment, that the States would be a fairly tough crowd to stand before and try to advance arguments about income inequality. I also know the idea that equality is better for everyone, even the well-off, probably seems counter-intuitive to many Members, but the Medical Officer of Health's observations are not based purely on – or not based at all on – anecdote or opinion; they are based on evidence.

3535 In any event, in this amendment, I am not proposing some radical departure in policy or even any change in policy at all. In asking Members to support this amendment, my appeal is basically this: allow for the possibility that the Medical Officer of Health might just be right about the effects of inequality on health and wellbeing. Consider that the international research linking higher levels of inequality to lower quality of life in all income groups could just conceivably be valid. When the Policy Council sets out its considered response, I am confident that Ministers will see the likelihood of a causal link, at least to some extent, between inequality and health and wellbeing and quality of life, and as a result see the case for establishing a measurement of income inequality in Guernsey.

3540 I am merely asking the Assembly to set an expectation that the Policy Council will pursue investigations into inequality and subsequently allow the States to reach an informed view about whether it believes that maintaining a measurement of income inequality would assist the development of more informed policy now and in the future.

3545 Income inequality is one among many determinants of any community's quality of life. I think we should measure it alongside the other measurements and indices we maintain and publish annually.

3550 In this amendment, I am merely asking the States to lay down that expectation for the Policy Council and provide the States with an opportunity to consider this issue in receipt of all the necessary information next summer.

3555 Thank you, sir.

Amendment:

3560 "2. To direct that by no later than July, 2014, and after consultation with the relevant States Departments and the Medical Officer of Health, the Policy Council, in accordance with that part of its mandate which makes it responsible for "...the co-ordination of action to enable the implementation of the States Strategic Plan..." and in order to contribute towards fulfilling the Social Policy Plan general objective of "equality of opportunity, social inclusion and social justice" (Resolution 3 on Billet d'État VI of 2013), shall report to the States of Deliberation setting out its considered response to Recommendation 7 of the Medical Officer of Health's 113th Annual Report, which considered response shall include an assessment of whether to adopt as expeditiously as possible a measurement of income inequality."

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

3570 **Deputy Green:** I do indeed, sir, yes, and reserve my right to speak.

The Bailiff: Does anyone wish to speak?

Deputy Dave Jones.

3575 **Deputy David Jones:** Thank you, Mr Bailiff, Members of the States.

I did exchange a few words with Deputy Fallaize during the debate, because I am totally unsatisfied with the way this whole thing has come to the States in the first place: that the Medical Officer of Health's Report came off the back of a Rule 6 Question from Deputy Fallaize, then some people spent the Bank Holiday cobbling together some amendments so that they could lay for that Report, and then we have had several breaks while they get the amendments right.

3580 This is not good government. (A **Member:** Hear, hear.) However strongly you might think about the inequalities in our society and about the poverty, relative or otherwise, this is not the

3585 way to run a country. It is almost like doing it on the hoof, and that is why I was informed by Deputy Fallaize to go back to sleep. I am awake now and I am going to give him the benefit of some of my thoughts on this amendment.

3590 The fact of the matter is that the Policy Council can go away and we can do a complete review of the inequality of Islanders, but I think what a lot of people forget in this Assembly, sir, is the fact that we only have a few thousand taxpayers on the Island – I do not know what the number is, 37... I have not got the exact figure in front of me. Now, those taxpayers have got to fund new engines for the power station; new cranes for the harbour; the upkeep of the roads; drainage; housing; health; schools; the list is endless and we are a very small community.

3595 Those on the left would say, 'Well, we need to improve the quality of life for everybody and we need all this other infrastructure – just raise taxes.' How high do you want the burden to go on those few thousand people?

3600 So, while I agree that once the gap between the haves and the have-nots gets too wide, then we need to reign it in and do something about it; but you are talking about the basic economics of the small community. You can sit here and discuss it all day, but that is the cold fact of life: that those few thousand people who pay their taxes – because we do not have corporate tax any more, not much of it – are expected to feed this endless machine of want, whether, as I say, it is new cranes or whatever it is, to keep this Island in the shape that we would like to see it, and it simply cannot be done.

3605 I believe the safety nets that we have got for picking up those in need are pretty good. I think the mesh of those nets is much smaller than it is in other places. Do we get it right? Deputy Le Lièvre reminds us on several occasions of where we get it badly wrong on occasions and I am happy that we look at those areas. But the idea that we can fulfil the needs of everybody to bring some sort of equilibrium to their lifestyles with everybody else is fanciful, quite frankly. There just is not enough money coming in to the Island coffers to do what you want.

3610 I cannot go by my childhood, because I had a different childhood to everybody else, but – (*Interjection*) No, no, what I am saying is that families in the 1940s, 1950s and 1960s...

3615 Yes, I am getting to your amendment. I am just trying to say that you are asking the Policy Council to go away and do a review of equality and all the rest of it. What I am saying to you is we can do all that, but there is not enough taxpayers' money in the Island to bring equality to everything and everybody.

3615 Now, in a discussion I had with the sensible character... sorry, with my neighbour – (*Laughter*)

A Member: Which one is that, sir?

3620 **Deputy David Jones:** Sorry! With my neighbour this morning, we were discussing this and the possible amendments, and about poverty in general. Deputy Queripel was saying that when he was younger, the kids did not feel deprived. They did not feel deprived as children. Their parents had pretty normal, mediocre jobs, but they did not have the incomes to do lots of things lots of other families did, but they were happy they were well fed and well looked after. Was that poverty? They did not have the incomes of perhaps a large grower who had a better income.

3625 So what I am saying is that equality... To try to bring equality is one thing, but it has to be measured. Even the income study that it refers to in Dr Bridgman's report, we would shy away from the top end of that, because that has aspirations that this Island simply could not afford. Not without raising the general level of taxation to unacceptable levels for the few people who pay it.

3630 So what I am saying, the first thing I would like to say – and this is on this amendment because I have got some other points that I want to make... There is a very good section of Dr Bridgman's on housing in general debate, (*Laughter*) and some not-so-kind things to say about his straying into education.

3635 What I am saying is that this Report came to us from the wrong route. As I say, the amendments were attached to it, for all the good reasons that we have heard from the people who laid them, but it is not a way to run a Government, in my view.

Thank you.

The Bailiff: Does anyone else wish to speak?

3640 Deputy Langlois.

Deputy Langlois: Sir, for related, but slightly different reasons to Deputy Jones, as is often the case, I also will oppose this particular amendment in its present form.

3645 The reason I do so, sir, is related to again work streams – levels and variety of the work streams – in this sort of central statistical area, which we are beginning to build on and complicate, in my view unnecessarily, and to try and set in tablets of stone something which ultimately will always be a matter of moving ground and changes in fashion for evidence and so on and so forth.

3650 I think the suggestion of this, that it – and before Deputy Fallaize comes back and replies to this particular one, I fully have.. I have read the amendment, I do know that you are saying take another look at it. I am saying even the work in taking another look at it is not worth it at this stage.

3655 I agree with Deputy Jones about the governance problem. That is something else to do with this afternoon's debate, but I am worried about where this work stream will lead us. There is the thing called the 'Geni coefficient'. I will not – everybody heaves a sigh of relief – enter into statistics lecturing mode and try and explain it at this stage. It is around in the data that the States Economist already has available. There are ways of getting somewhere near it, subject to the integrity of the data that we have got, and that is a fundamental problem which is being tackled in the States, in the Policy Council.

3660 I have a technical objection to the wording of the amendment, in that it refers to a measurement of inequality and I think there are significant dangers, just as there are in another area of activity we have when we link things to RPI, and then the question is RPIX, and then the question is 'should we talk about fuel poverty?'

3665 The statistical base of all this is more complex than coming up with magic numbers that can say is this Government succeeding or not. So a measure of inequality concerns me.

3670 In addition to that, I think that we would be quite wrong and it really does reflect poor governance to move on from the nature of this Report, and where it originated, to impose in isolation even the investigation of a single performance measurement, which relates much more to economic and social matters, simply on the back of a report like this. I think it actually leads us to a greater fragmentation and silo mentality. Quite the opposite of pulling everything together, it leads us to a point where you say, 'Ah yes, but we have also got that number to think of', and it becomes a means to an end in itself, and it does not take you anywhere.

3675 It undoubtedly carries the implication that a big number is good and a small number is bad. We never have that debate: we have not had that debate in the right context. It is not to do with health equity; it is to do with a much wider social and economic aspect of the Island.

3680 The other reason why I am going to vote against this is simply because by noting the Report, you have noted Dr Bridgeman's recommendation. You have noted the recommendation that there should be a performance indicator relating to health equity. Where that noting of the Report leads, what HSSD want to do with it, what any other Department want to do with it, we do not know. I think to actually pull out this particular recommendation and make a particular special issue of it is inappropriate, at this stage, and also, as I say, creates work streams which just do not take us anywhere.

The Bailiff: I think Deputy Bebb was rising to speak earlier, were you? No? Deputy Storey, and then Deputy Trott, if you wish to speak.

3685 **Deputy Storey:** Sir, I will be very brief.

The HSSD Board have mixed reactions to this and as a result, because there are no resources, as I can see it, that are required of HSSD and the matter is outside HSSD's mandate, we have no corporate view and we will be making our own decisions as individual Members of the States.

3690 Individually, I have a problem with the wording at the end of the amendment, asking us to look at a measurement of income inequality, and I do not think that that means anything.

If the lowest income is £50,000 a year and the highest income is £300,000 a year, then the inequality is much greater than if the bottom income is £10,000 and the top income is £100,000. The measurement of inequality on its own is not relevant to anything that we might want to do.

3695 What we need to do is to show it is a link, the income inequality, to the impact it has on health and I do not think that, as suggested by this amendment, we are actually going to get anything that is going to help, in terms of improving the health of the community. Income inequality of its own is not a measure of something that will help in terms of improving health equality, and therefore I feel that it is inappropriate.

3700 On this occasion, I shall vote against the amendment.

The Bailiff: Deputy Trott.

Deputy Trott: Well, sir, it is fortuitous I should follow Deputy Storey because he made part (a) of a two-part point I was going to make, and I could not agree with him more, as a result. Recommendation 7 says:

‘The States adopt an income inequality measure as a Key Performance Indicator for health equity.’

Now, it was not Disraeli, sir, it was not Stuart Falla; it was actually me who has said in this Assembly, on more than one occasion, that the best corporate anti-poverty programme this community can have is a strong economy. The irony of using this particular KPI is that, if our economy softened – and there is much evidence that it is, which is of grave concern to me – and incomes contract – in other words, the highest incomes reduce down to get closer to the lower incomes – as a consequence of that you have less tax revenue and you have less to spend on your health service *per se*. So a narrowing of the inequality in that scenario would be a very bad key indicator, in the sense that those at the bottom would be impacted on even more greatly than would otherwise be the case.

So I share Deputy Storey’s view that this amendment is not necessary because I do not agree with Dr Bridgman on this occasion that recommendation 7 has any real value.

I will tell you what does have some real value: getting out there and promoting this community as a good place to do business, so we can reverse a trend which I do not like the look of, I can tell you that now.

The Bailiff: Does anyone else wish to speak?

Yes, Deputy Green.

Deputy Green: Sir, Members, very briefly, I support this amendment. I think it is very sensible to have a KPI for the health equity. It will allow this Assembly to properly monitor much more effectively this issue through an income inequality measure whether it is the Geni coefficient or something similar. As Deputy Langlois has already said, some work, if not a great deal of work – certainly some work – has been done already in respect of the Geni coefficient on the figures for Guernsey. Quite what the resource implications are, I do not think they should be exaggerated.

The fundamental point is that there is a clear correlation – I say correlation and I put it no higher than that – between income inequality and poorer health outcomes and that has been picked up in the Report. The graph on page 8 of the independent Report encapsulates that correlation very well indeed.

In plotting on the graph, you can clearly see on that graph that societies with higher amounts of income inequality tend to have a higher percentage of people with mental illness. I am not saying that is causation; I am saying it is a correlation and it is internationally recognised.

Against that backdrop, I would suggest it is very modest indeed, and this is a very benign amendment, to consider to even consider the possibility of adopting some form of KPI that would keep tabs on what is actually an issue that does have a very powerful impact on health.

So I would support this amendment.

The Bailiff: Are there any other speakers? Deputy Gollop.

Deputy Gollop: Sir, I was not going to speak on this one – that is an olde cliché – but the dialogues that have opened up – and particularly Deputy Storey, Deputy Trott and Deputy Green from the other table, perhaps – has raised an issue that we need to come to terms with, in the context of the fiscal review and policy generally. That is that, if we are a vibrant dynamic society, and commerce and employment delivers even more good high-end business for the Island, whether it be legal, IT, media, finance, hedge fund, whatever, we will actually possibly increase inequality, because if as a society a low income is £50,000 a year, it would matter, funnily enough, because it would mean over time that rents and house prices would get higher and higher and reach – I do not know – Monaco levels, Tokyo levels, Hong Kong levels and go even beyond our parity with Greater London.

In that context, we have to, as an Assembly, either live with that inequality and see a certain exodus of local people and a change in our population whereby, or we do not like the inequality and we try to level up the playing field with a form of income redistribution, which in no way discourages high achievers from earning lots of money and enjoying the fruits of their success, but brings about some degree of social justice.

That is the issue before us. I do support Deputy Green’s amendment and Deputy Fallaize’s amendment today, precisely because it is an essential part of understanding where we are going. I

3765 think it is too simplistic to say we have to live with inequality, but at the same time we have to listen to the voices that say, ‘Do not go down this route that in any way weakens our economic stability’. But the work has to be done because we will end up being unbalanced in one way or another, without a degree of appropriate policy rigour in the way in which we conduct our affairs for the future.

3770 **The Bailiff:** Anyone else? Deputy Bebb.

3775 **Deputy Bebb:** Very briefly, Deputy Le Tocq, in a previous amendment, stated that he felt that the appropriate way is to bring a Requête, and I have to say that is exactly what... I agree with him wholeheartedly in that respect. I was not minded to bring any amendments to this Report. I do believe that the most appropriate way would have been to have brought a Requête.

The point is that we are here today with amendments and I have moved beyond that point and I have now decided that really the amendments should be debated that we have already reached this position and people should vote for the amendments on the merits of the amendments as they stand.

3780 I am still not persuaded in relation to this amendment one way or another, but there are a number of things that I have heard from the Members of the Policy Council today that I think raise great concern and this amendment basically shows the greatest tension. We hear that we do not have the resources available in order to do this type of work which would be fairly standard in other jurisdictions. I really have to start questioning, at what point are we making decisions without full facts, without having the evidence available to support those decisions? At what point do we start making recommendations based on hunches? That is what I would contend is poor governance.

3785 I think that we have reached the point that I understand that resources are tight, but there is a way of researching whether or not having a data warehouse or having it mined by an external company might provide us with the information that is so clearly sought on a number of occasions. The information *is* available, if only it was to be extrapolated in the appropriate way.

3790 I realise that it might come with a cost, but on the other hand, is that not a cost worth bearing, if it leads to better decisions, more information, and a greater understanding of our current structures, so that we can, when it comes to the taxation review, judge those amendments based on solid evidence.

3795 Therefore, I think that is something that we do need to consider in relation to our future positions.

Thank you.

3800 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

3805 I rise to support this amendment and make perhaps what is a generic observation about the intent and the thrust of these amendments generally. When we had the full corporate anti-poverty programme, it was self-evident. It was explicit and the word ‘poverty’ itself was used. When the corporate anti-poverty programme got subsumed into the first iteration of the Government Business Plan – and I think Deputy Falla did use the word ‘wisely’ – he said ‘redistribute wealth wisely within the community’, which makes it a judgemental thing. If you are not careful you do very quickly end up talking about the ‘deserving poor’, and you can have that conversation very quickly.

3810 Deputy Trott spoke of the compression, the inequality coming from the top, but if we go from the bottom up, if we really understand what is behind the top-up, why is it that we pay people such... companies pay employees the minimum wage £280 per week? What does it cost this community, when every week those families go to the social security and have a top-up?

3815 Also, we need to understand with housing, rent arrears actually are a good measure of... Standard rents are set, people cannot meet them, they fall into rent arrears: what percentage of people on rent rebate are in rent arrears?

3820 I know it is a lazy, awful cliché, Deputy Perrot will not like it, but if you cannot measure, you cannot manage, and this just helps us measure and understand the quantum, the depth of the challenges that we are facing. Thank you.

The Bailiff: Any further speeches?

Deputy Dorey then, and then Deputy Fallaize to reply.

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Deputy Dorey: Thank you, Mr Bailiff.

Very short: the Department does not have any view as a Department, as Deputy Storey has said, on this because it is outside our mandate. If this amendment is successful, we do envisage there will be a small amount of resource used from the Public Health Section of HSSD and I remind the Assembly that it is a WHO-recommended indicator for jurisdictions.

3830

Thank you.

The Bailiff: Deputy Fallaize to reply.

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Deputy Fallaize: Thank you, sir.

I think in contrast to the first amendment which I laid, this amendment has been exaggerated by its opponents, although actually the wording of the amendment is constructed in almost exactly the same way as the first amendment.

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I really do want to emphasise what the amendment actually requires. It simply requires that, by no later than July of next year, the Policy Council shall report to the States, setting out its considered response to recommendation 7 of the MOH Report, which considered response shall include an assessment of whether to adopt, as expeditiously as possible, a measurement of income inequality.

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This amendment does not even propose introducing or adopting a measurement of income inequality. It proposes that the Policy Council should consider the evidence in the Medical Officer of Health's Report, speak to other States Departments which may be affected by this kind of research, and then come to the States and advise the States whether they think that the States should maintain a measurement of income inequality.

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It is difficult to think of trying to approach this subject in a more measured and incremental way. The Policy Council is entirely within its rights, if it wants to come back to the States to propose that we do not need to retain a measurement of income inequality and then they would set out their case, the States would then debate it and it would be up to those Members who disagree to make the argument at the time. So that is all the amendment is proposing.

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Deputy Jones was critical of the amendment, although actually I do not think there is any great disconnect between his view and my view, because he said that we did not have the resources to eradicate inequality, we did not have the resources to deal with all problems of social policy. Well, of course, I accept that, obviously. In fact, he made a speech which would have been well placed if I was coming here proposing an increase in income tax or something like that, but I am not proposing anything remotely close to that.

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He went on to say that inequality matters: he said inequality does matter and if it gets too big, Government should intervene.

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Well, that is exactly my view. All I want to do is to ask the Policy Council to consider whether it thinks we should measure inequality, because if we do not measure it, to use his words, we do not know whether it is getting too big and whether – and if so, how – Government should intervene. In fact, at one stage, Deputy Jones did say it has to be measured, which is all this amendment is proposing.

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Deputy Langlois talked about this amendment setting something in stone, but nothing could be further from the truth. This amendment asks the Policy Council to consider whether to adopt a measurement of income inequality. That does not mean to say the Policy Council should adopt *more* income inequality – I do not know whether that is the problem in the semantics. It means the Policy Council should consider whether to adopt a measurement of income inequality, and if it thinks we should, then it should propose to the States whichever measurement it thinks best. I am not prescribing Gini coefficients or any other kind of index. I want to leave that to the Policy Council.

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When Deputy Langlois says that the Proposition 'to note' is enough, I have to say I think that means... the way I interpret that is that because the Proposition 'to note' is completely meaningless, then he is content with it. Well, I do not believe, unless the States requires the Policy Council to set out its considered response to recommendation 7, that that recommendation will be adhered to.

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Deputy Storey's speech merely demonstrated that there are different ways of measuring income inequality and again, I am not prescribing which one should be used.

3885

I agree with Deputy Trott that economic growth and economic prosperity clearly is the most effective way of addressing social problems. That is quite obvious, but I am afraid that the evidence does not support what I think his assertion was, that somehow there is a link between economic underperformance and more equality, because actually the international evidence is quite the reverse.

Usually, the jurisdictions which do poorest economically also have the highest levels of inequality, whereas the jurisdictions which do best economically have lower levels of inequality. That is what the international evidence suggests.

3890 Deputy Gollop said that he thought the States needed to make policy judgements about the levels of equality or inequality which the Island is prepared to tolerate, and I agree with that. This amendment does not seek to make that judgement or come anywhere close to making the judgement of how much equality or inequality is tolerable, but without measuring it, we cannot get anywhere near to making that kind of judgement.

3895 Now, no Member, as far as I can recall, has said that inequality does not matter, or that it is an irrelevance. In fact, on the contrary most Members have indicated that they do recognise that there is a link between inequality and ill health. or inequality and social deprivation. Well, if we accept that, then why would we not want to measure it? When the annual facts and figures booklet and Sustainable Guernsey, if that is what it is still called, drops through the letterbox, we measure all kinds of things – all kinds of economic indicators, social indicators, environmental indicators.

3900 More or less, we are getting to the stage of where, if it moves, we measure it.

I think that this is a gap in the tools available to us, the tools of measurement that are available to us to make informed policy judgements and in five or ten years' time, I want the States to be able to reflect on how its policies, which at that time will be its present policies, have affected equality or income inequality.

3905 Sir, I think the only thing that is left for me to do is just to try to emphasise the moderate, modest nature of this amendment. In scope, it is no different from the amendment, the first amendment I laid, which the States unanimously approved. It merely directs that, by July of next year, the Policy Council, having consulted appropriately, comes to the States to set out its considered response to recommendation 7 of Dr Bridgman's Report and advises the States whether it believes that a measurement of income inequality should be introduced. The time for that debate will be in July 2014. I just want to get the preparatory work underway.

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I have to say, I am slightly surprised, having supported the first amendment, that the Policy Council is now... Well, I do not know whether the Policy Council opposes this amendment. We have not heard the view of the Policy Council, but I am surprised that some members of the Policy Council who were able to support the first amendment are not able to support this amendment. It is no different in scope; it purely tries to get us on the road towards availing ourselves of another measurement tool, which is an important, could play an important role in determining social policy in the future.

3915

3920 Thank you, sir. Could I ask for a recorded vote, please, sir.

The Bailiff: Recorded vote – right, we have a request for a recorded vote on the amendment proposed by Deputy Fallaize, seconded by Deputy Green.

3925 *There was a recorded vote.*

The Bailiff: Members of States, it seems to me that that has been carried.

I know a number of Members have meetings and other things to attend this evening. Can I suggest that we rise now, we will resume at 9.30 in the morning and have the formal declaration of the result of the vote at 9.30.

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The Assembly adjourned at 5.39 p.m.