

**THE STATES OF DELIBERATION**  
**of the**  
**ISLAND OF GUERNSEY**

**18<sup>th</sup> August, 2020**

**Proposition No. P.2020/48**

**Policy & Resources Committee**

**Seafront Enhancement Area Programme Update**

**AMENDMENT**

Proposed by: Deputy G A St Pier

Seconded by: Deputy L S Trott

To delete all the Propositions and replace them with the following:

1. To direct the Policy & Resources Committee to develop proposals for the political governance structure under which the programmes and projects identified in the Recovery Action Plans will be brought before the States of Deliberation for approval concurrent with the details of the Plans.
2. To direct the Policy & Resources Committee, having consulted in accordance with the governance structure agreed by the States further to Proposition 1 above, to bring a Policy Letter setting out the long-term development strategy for the east coast, as set out in Section 4 of the Seafront Enhancement Area Programme Update Policy Letter<sup>1</sup>, for consideration of the States of Deliberation no later than December 2021.
3. To agree, in principle, the formation of the Guernsey Development and Regeneration Corporation, which will drive the operational delivery of the SEA programme long-term development strategy, subject to the Policy & Resources Committee providing further detail on the mandate, membership, accountability, funding and involvement in the development of the long-term development strategy, for consideration of the States of Deliberation at the earliest opportunity and not later than March 2021.
4. (a) To rescind Resolution number 3 on item IV on Billet d'État No. VIII of 2019 "St Peter Port Harbour Development Requête" made on 23<sup>rd</sup> May 2019<sup>2</sup>; and

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<sup>1</sup> <https://gov.gg/CHttpHandler.ashx?id=123719&p=0>

<sup>2</sup> <https://gov.gg/CHttpHandler.ashx?id=119102&p=0>

- (b) To direct the Development & Planning Authority to continue to consult relevant Committees and other stakeholders and prepare proposals for a Local Planning Brief for the St Peter Port Harbour Action Area, which has been funded by a capital vote of a maximum of £300,000 charged to the Capital Reserve, and to direct the Development & Planning Authority and Committee *for the* Environment & Infrastructure to take all necessary steps under the Land Planning Legislation to lay such proposals before the States for adoption within 12 months of States' approval of the SEA long-term development strategy.

#### Explanatory note

Overall, this Amendment seeks an interim solution for the SEA programme, to bridge the period until the new Assembly is in a position to consider the Recovery Action Plans. Rather than establish a new Committee, the proposals now retain the existing Steering Group to ensure no momentum is lost, and will allow the next Assembly to consider the direction of the SEA programme, and identify the most appropriate governance structure to deliver this direction, in the context of the work of the States of Guernsey as a whole, post-COVID.

At its core, the original set of Propositions sought to (a) establish a governance structure to oversee the Seafront Enhancement Area (SEA) programme, (b) provide said governance structure with adequate funding to develop a long-term development strategy for Guernsey's east coast, and (c) align the development of the SEA programme and Local Development Brief for the St Peter Port Harbour Action Area, so that both can come forward in a coordinated manner.

Whilst these Propositions were valid in the context of the Future Guernsey Plan and affordable when they were drafted prior to the escalation locally of COVID-19, they do not reflect the significant changes in the fiscal, economic and strategic environment that have taken place in the interim.

Significantly, the States have adopted the 'Revive and Thrive' Recovery Strategy, which will co-ordinate and prioritise the work of the States in the context of the impact of COVID-19. The Seafront is one of the specific areas of focus identified for short-term, or immediate, work. As such the Committee considers it appropriate to revisit the decisions being sought of the Assembly with a view to expediting progress based on the work, albeit it limited by resourcing constraints during lockdown, that the Steering Group has been able to undertake in the interim period.

Ordinary Proposition One sought the immediate establishment of the Seafront Enhancement Committee as a States' Investigation & Advisory Committee. Realistically there is little a new Committee can achieve in the remainder of this political term that

cannot already be progressed by the SEA Steering Group in the short time available from the States Meeting on 18<sup>th</sup> August until the General Election scheduled for the 7<sup>th</sup> October. The States are provisionally scheduled to sit for eight days from 18<sup>th</sup> to 28<sup>th</sup> August and thereafter nominations open. It is therefore very likely that the Seafront Enhancement Committee will not be in a position to consider anything of substance until November 2020 at the earliest, and would bring nothing meaningful to the Assembly for some period longer.

Moreover, the prioritisation of States' work as part of developing the action plans represents opportunity for the SEA programme given its status as one of the few initiatives already identified by the Assembly as part of the recovery strategy. A dedicated, sponsoring Committee is not required at this time to progress work streams most beneficial to the overall recovery outcome. The current structure provides greatest flexibility pending a future decision by the Assembly on the governance arrangements required for the suite of recovery action plans. Establishing a new Committee now, prior to the prioritisation of the twenty SEA programmes of work, which may accelerate some work streams and temporarily halt others, would be premature and risks actively impeding the swift delivery of a long-term development strategy should a different structure be identified as more appropriate.

Deleting Proposition One both removes this risk of establishing a structure that is not best suited and also enables the existing Steering Group to continue to drive the SEA programme and to support the Policy & Resources Committee in prioritising specific work streams.

Secondary Propositions One and Two would see the Policy & Resources Committee retain responsibility for the development of a long-term development strategy, along the same timelines that the Seafront Enhancement Committee would have been working to, and also directs the Policy & Resources Committee to identify governance structures that will be more appropriate in delivering Recovery Strategy work streams.

The original drafting of Proposition Three sought the States of Deliberation to note that the Policy & Resources Committee would use its delegated authority to provide funding from the Budget Reserve in 2020, specifically £975,000, to the Seafront Enhancement Committee. However, as a result of the emergency spending undertaken to mitigate the impact of COVID-19, this method of providing funding for the SEA programme is no longer appropriate, notwithstanding that the practicalities of delivering that work in the remainder of the year would be challenging. Instead, it is anticipated that any future budget allocation for the SEA programme would be made under the funding arrangements for recovery initiatives to be established in the 2021 Budget and capital prioritisation processes.

In the spirit of moving the work of government forward at a controlled but greater pace, the Committee is seeking in principle support for its approach to securing a delivery vehicle, as directed by extant Resolution. The attached supporting briefing

paper sets out the two options that would ordinarily be explored and brought back to the Assembly. However the Committee is recommending that it work up the single option that will provide the Assembly with the professional, specialist advice and delivery vehicle which will be required to secure success in the redevelopment of the seafront.

The Assembly can be assured that the in principle agreement serves only to accelerate the provision of necessary detail on this single option for its future decision making on matters of important detail. It does not authorise the Committee to commence its formal creation for which the Assembly's agreement on details regarding governance, constitution, and funding will be required.

## **Seafront Enhancement Area – Long-Term Development Strategy: Delivery Mechanism**

### **Introduction**

The Seafront Enhancement Area (SEA) programme is one of the States of Guernsey's policy priorities and is centred on the production of a long-term development strategy, identifying a plan of infrastructure provision to position Guernsey's east coast as a world class maritime location, thereby enhancing the socio-economic wellbeing of Guernsey as a whole.

Whilst the SEA programme was initially identified as a priority in the Future Guernsey (Policy & Resource) Plan, it has been recognised to be of such strategic importance that accelerating work in the next 12 months has been identified as essential within the 'Revive and Thrive' Recovery Strategy.

Alongside the production of this infrastructure plan for Guernsey's east coast, the SEA programme is also required to identify a governance structure to oversee the physical delivery of the long-term development strategy, once approved by the States of Deliberation. When determining such a governance structure, it is necessary to consider the following factors:

- a) Private sector and expert involvement – the skillset to determine the most appropriate method of implementing the SEA programme is not within government. Input from the private sector and those with experience in delivering programmes of infrastructure provision is needed to ensure the proposed development is deliverable.
- b) Political oversight – the SEA programme is seeking to achieve social, environmental and economic enhancement through the provision of infrastructure. Political oversight is needed to ensure the proposed development adheres to these principles and is not entirely commercially driven in equal measure to the previously mentioned professional advice.
- c) Speed of implementation – in the context of the 'Revive and Thrive' Recovery Strategy, there is a need to ensure that the implementation of the SEA programme can come forward in a timely manner and is not impeded by a governance structure that involves unnecessary bureaucracy.

The inclusion of the SEA programme in the Recovery Strategy will see the investigatory work accelerated to the point where the long-term development strategy will be brought before the States' Assembly for consideration by December 2021. As such, an in principle decision regarding the governance of physical delivery will allow the Policy & Resources Committee to accelerate bringing further detail, including funding arrangements, membership, mandate, accountability and governance.

As part of the SEA programme's considerations to date, preliminary research has been undertaken into potential governance structures to oversee the implementation of the SEA programme, taking into account structures used in other jurisdictions to deliver similar programmes of infrastructure provision. Alongside this research, the Commercial Property Forum has also been and is supportive of establishing a structure that will allow for the delivery of large scale infrastructure projects at pace.

### **Delivery-only model**

The Jersey Development Company (JDC) is the property development arm of the Government of Jersey, taking direction set by the Regeneration Steering Group and the JDC's shareholder, as represented by the Minister for Treasury and Resources. The JDC has no policy making functions or

remit to develop master plans, and is solely charged to deliver policies agreed by the Government of Jersey in an effective and efficient manner.

The JDC is run by an independent board rather than political appointees and is accountable to its shareholder, the Minister for Treasury and Resources. Membership of the board comprises an independent Chairman, a Managing Director, a Finance Director, a non-executive director appointed by the Minister for Treasury and Resources, and three non-executive directors with relevant financial, banking, commercial and/or property expertise.

The JDC is charged with undertaking the following:

- Developing detailed development proposals for specific projects of major regeneration of property and infrastructure within Regeneration Zones in accordance with Development Plans approved by the Regeneration Steering Group.
- Providing forward funding for preparing the detailed development proposals.
- Procuring the services of appropriate design and development consultants.
- Managing and developing detailed designs for specific sites.
- Submitting detailed planning applications to the Minister for Planning and Environment.
- Procuring and managing project implementation, either via a joint venture with a third party developer or direct.
- Providing quarterly progress reports to the Regeneration Steering Group in respect of development taking place as part of an agreed Development Plan.

The Regeneration Steering Group provides political guidance to inform the policy guidelines for all major public property and regeneration projects in Jersey. In practice, the Regeneration Steering Group translate Masterplans and Development Briefs proposed by the Minister for Planning and Environment into workable and viable Development Plans. Having approved a Development Plan, the Steering Group will pass this onto the JDC, which will take responsibility for its implementation.

The proposed regeneration process is fundamentally identical to a typical property development process with the addition of the need to establish overarching policy guidelines and master-plans within which site-specific plans may be developed. This leads to a succession of inter-related activities within the following phases:

- (1) Responsibility of the States Assembly
  - a. Approving the Island Plan – which identifies Regeneration Zones
- (2) Responsibility of the Minister for Planning and Environment
  - a. Strategic master-planning – developing the major environmental and socio-economic planning objectives in order to establish clear policies and political direction for property and infrastructure regeneration. This leads to a Masterplan for a defined area.
  - b. Master-planning – developing an overall development strategy for a defined area which includes both present property uses as well as future land development plans.
  - c. Development briefs – developing a brief which provides information on the type of development, the design thereof and layout constraints relating to a particular site.
- (3) Responsibility of the Regeneration Steering Group
  - a. Development planning – the development of economically viable development plans to meet the objectives of the Masterplans and Development Briefs.

#### (4) Responsibility of the JDC

- a. Design development – the development of detailed design proposals for the redevelopment/regeneration of specific sites.
- b. Promotion – the promotion of specific site proposals through the planning process to secure relevant development permissions.
- c. Commissioning – the entering into of a construction contract with an independent contractor, the procurement of a development partner or the disposal of a site to a developer able to finance and implement the development.
- d. Financing – the provision of risk finance to procure the implementation of the development.
- e. Implementation – procurement and management of the construction of the development.
- f. Utilisation – marketing and securing occupiers for the completed development and the overall investment interest where appropriate.

Whilst the JDC structure provides suitable political oversight to the implementation of plans for the provision of infrastructure, the linear, top-down structure from States Assembly through to the JDC, as identified above, does not lend itself to quick decision making and implementation. In the context of COVID-19 recovery, it is important that any governance structure is able to bring forward the implementation of the SEA programme in an expeditious manner. Furthermore, this structure does not appear to allow, by design, for industry and expert input into the development of proposals for political consideration by the Assembly.

#### **Consultative and delivery model**

Infrastructure New South Wales (NSW) is a New South Wales Government agency providing independent, evidence-based advice to government in relation to infrastructure priorities and projects and implements policy adopted by government. It is not Infrastructure NSW's role to publicly advocate for policy proposals, which is the preserve of Ministers and executive government.

The Board of Infrastructure NSW comprises a Chief Executive Office, an independent Chairman and nine additional Board members. Membership of the board contains a mix of leading business people with expertise in infrastructure, alongside the State's more senior public servants.

In September 2012, Infrastructure NSW completed one of its principal tasks under the Infrastructure NSW Act, the delivery to the NSW Premier the 20-year State Infrastructure Strategy. After consideration of Infrastructure NSW's advice, the NSW Government released its own 20-year State Infrastructure Strategy in December 2012. This supported, or noted, 63 of the 70 recommendations for projects and reforms in the original strategy. In mid-2014, Infrastructure NSW was requested by the NSW Premier to update the strategy to take account of money that would be made available through Government's Rebuilding NSW plan.

The Government's State Infrastructure Strategy is implemented through annual Five Year Infrastructure Plans, prepared by Infrastructure NSW, which identify specific major infrastructure projects to be undertaken as a priority.

In addition to developing the 20-year State Infrastructure Strategy and Five Year Infrastructure Plans, Infrastructure NSW's functions, as outlined in the Act, are to:

- a) Prepare sectoral State infrastructure strategy statements
- b) Prepare project implementation plans for major infrastructure projects

- c) Review and evaluate proposed major infrastructure projects by government agencies or the private sector and other proposed infrastructure projects
- d) Oversee and monitor the delivery of major infrastructure projects and other infrastructure projects identified in plans adopted by the Premier
- e) Carry out or be responsible for the delivery of a specified major infrastructure project in accordance with an order of the Premier
- f) Assess the risks involved in planning, funding, delivering and maintaining infrastructure, and the management of those risks
- g) Provide advice to the Premier on economic or regulatory impediments to the efficient delivery of specific infrastructure projects or infrastructure projects in specific sectors
- h) Provide advice to the Premier on appropriate funding models for infrastructure
- i) Co-ordinate the infrastructure funding submissions of the State and its agencies to the Commonwealth Government and to other bodies
- j) Carry out review of completed infrastructure projects at the request of the Premier
- k) Provide advice on any matter relating to infrastructure that the Premier requests.

Projects NSW is a specialist unit within Infrastructure NSW that was established to manage the procurement and delivery of nominated priority infrastructure projects. Projects NSW delivers projects at the direction of the Premier in accordance with government policy, once Government has decided to proceed with those projects. Projects NSW has the commercial acumen needed to engage with the private sector and negotiate value for money outcomes for the community and works in partnership with nominated NSW Government agencies.

### **Comparison of approaches**

By way of comparison to the JDC, Infrastructure NSW is a body which in many ways is set out to deliver similar outputs, but has a leaner structure that requires fewer levels of political oversight. It provides the body with greater autonomy to develop proposals for infrastructure provision which it is then responsible for implementing, once approved by government.

Whilst there are elements of difference between the structures of the JDC and Infrastructure NSW, one key similarity is the involvement of individuals from the private sector who have expertise in the provision of significant infrastructure projects. The successful delivery of proposals identified in the long-term development strategy will be reliant upon having a governance body in place that has the right constitution of government and private sector individuals.

Overall, and given the need for expedient decision making in the context of COVID-19 recovery, it is considered that a structure similar to that of Infrastructure NSW would be most appropriate for Guernsey to implement to oversee the delivery of the long-term development strategy. This structure strikes a balance between providing political oversight to ensure multi-benefit development, private sector and expert involvement to ensure deliverability and value for money, and the ability to implement the decisions of the States of Guernsey at pace.

### **Proposal: Guernsey Development and Regeneration Corporation**

The Policy & Resources Committee is seeking the approval, in principle, of the States of Deliberation to establish the Guernsey Development and Regeneration Corporation. It is envisaged that the Corporation will have a similar structure to that of Infrastructure NSW, and be responsible for the physical delivery of proposals identified in the long-term development strategy approved by the Assembly. The Corporation will have a membership constituted of a mix of government and private sector individuals but will ultimately be accountable to the States of Deliberation through the Policy & Resources Committee.



This approval in principle will be contingent on the Policy & Resources Committee bringing further detail on the structure of the Corporation at the earliest possibility. This will include consideration of its mandate, membership, accountability, funding and involvement in the production of the long-term development strategy.

In the context of Guernsey's recovery from the impacts of COVID-19, there is a need for the States of Guernsey to be able to approve proposals for investing in infrastructure provision in an expedient manner. An in principle decision regarding the establishment of the Corporation will support this requirement for timely decision making, as it will allow the Policy & Resources Committee to focus on providing the States of Deliberation with the necessary detail to support this structure, as identified above, at the earliest opportunity.