

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

**POLICY & RESOURCES COMMITTEE**

**ESTABLISHMENT OF A DEVELOPMENT AGENCY**

The States are asked to decide:-

Whether, after consideration of the policy letter entitled 'Establishment of a Development Agency' dated 31<sup>st</sup> January 2022, they are of the opinion:-

1. To direct the Policy & Resources Committee to establish a development agency as a company limited by guarantee, wholly owned by the States of Guernsey, that will be tasked with (a) the production of a long-term development plan setting out the options for the provision of infrastructure along Guernsey's east coast working within the strategic direction set out in this policy letter; and (b) the delivery of the development associated with such options, working to the operating principles set out in this policy letter;
2. To agree to establish the political oversight group (set out in paragraph 5.9.2.7);
3. To direct the Policy & Resources Committee to invest seed funding of £1 million in total for the first two years of the establishment of the development agency (see section 7);
4. To direct the Policy & Resources Committee to (a) establish a clear land management transfer policy; and (b) consult with the States' Trading Supervisory Board on the areas of land to be transferred from the States to the development agency; and (c) to effect that transfer once the development agency is established; and
5. To direct the Development & Planning Authority to complete the Local Planning Briefs for the St Peter Port and St Sampson Harbour Action Areas by December 2022.

**THE STATES OF DELIBERATION**  
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**ISLAND OF GUERNSEY**

**POLICY & RESOURCES COMMITTEE**

**ESTABLISHMENT OF A DEVELOPMENT AGENCY**

The Presiding Officer  
States of Guernsey  
Royal Court House  
St Peter Port

31<sup>st</sup> January 2022

Dear Sir

**1 Executive Summary**

- 1.1. The Seafront Enhancement Area programme has been identified as a priority in the Government Work Plan. In June 2021, the States of Deliberation directed the Policy & Resources Committee to submit a proposal to the Assembly for the establishment of an arm's length development agency to oversee and then deliver that work on behalf of the States and in partnership with the commercial sector and with other stakeholders. **This policy letter relates to the establishment of a development agency and purposely not to the specific development and regeneration projects the agency may undertake in the future on behalf of the States.**
- 1.2. The development agency will be owned by the States of Guernsey and responsible for implementing the States of Guernsey's strategic direction, and will manage land assets on behalf of the States. It will do this by facilitating development from private sector developers and social enterprises and, where it is necessary or appropriate, by partnering with other parties in delivery. Ownership of States' land assets will not change.
- 1.3. The development agency will be a delivery vehicle. It will manage land assets in the seafront enhancement area, establish commercial partnerships and work with developers and the community to deliver regeneration projects. Establishing a development agency will enable development and regeneration projects to be delivered with the certainty and stability required for long-term projects, including through the establishment of effective community partnerships and increased community participation. The overall purpose of the development agency is to secure co-ordinated development along Guernsey's

east coast in a way which includes Guernsey's future harbour requirements and successfully delivers economic, social and environmental outcomes through the management of land and infrastructure as a strategic resource.

1.4. The establishment of a development agency will enable the delivery of other priorities, including:

- Setting out a clear plan for Guernsey's future harbour requirements, in consultation with Guernsey Ports, the Harbourmaster, the States' Trading Supervisory Board, the Development & Planning Authority and the Principal Committees of the States;
- Supporting the development of economic and environmental opportunities in the blue economy and the green economy;
- Enhancing the visitor economy through investing in Guernsey's tourism product and heritage;
- Supporting the development of a Bridge Strategy;
- Making the centres of St Peter Port and St Sampson more attractive as places to live, as well as work, whilst also meeting current housing needs through new homes in regeneration projects;
- Supporting decarbonisation of the island by taking into account the States' long-term energy objectives in regeneration projects;
- Providing increased momentum to complete essential infrastructure maintenance and coastal defence projects and harbour maintenance whilst building resilience to climate change and helping to mitigate and reduce environmental risk;
- Bringing forward development opportunities through implementation of the Development Frameworks for the Regeneration Areas adjacent to the harbours; and
- Bringing forward development opportunities through implementation of the Local Planning Briefs for St Peter Port Harbour Action Area and St Sampson Harbour Action Area.

1.5. The Policy & Resources Committee is proposing the establishment of a company limited by guarantee, wholly owned by the States of Guernsey, with an independent board appointed by and ultimately accountable to the States. This will lead to the establishment of a development agency that is autonomous, in corporate form, and accountable through transparency and trust. This structure will provide the development agency with sufficient powers to achieve its strategic goals and provide it with the framework to facilitate development outcomes and to co-ordinate multi-agency and government initiatives to encourage economic development.

- 1.6. The development agency will be fully accountable to the States and will report its progress to the States on annual basis, beginning at the end of its first year of establishment. It will:
- Have States oversight as the sole shareholder;
  - Have its own legal persona;
  - Have non-executive directors providing strategic oversight and relevant expertise;
  - Promote accountability and transparency through publishing annual reports, against which its performance will be measured by the political oversight group;
  - Have independently audited accounts; and
  - Publish information on its activity and strategy outside of its annual reporting process.
- 1.7. The political oversight body will comprise the Treasury lead for the Policy & Resources Committee, President of the Committee *for* Economic Development and the President of the Committee *for the* Environment & Infrastructure, given that these are the three Committees with the critical mandate for development and regeneration policy on behalf of the States. If required those three Committees may also appoint alternates. It will act as the shareholder of the development agency on behalf of the States.
- 1.8. The States will set the strategic direction for the development agency to work; operational principles to which the development agency will work; approve the appointments of the chair and board members of the development agency; and agree the funding for the development agency.
- 1.9. The Policy & Resources Committee will work with the development agency, in consultation with the States' Trading Supervisory Board, to transfer the management of the land assets owned by the States to the development agency. This will be undertaken in the transition to the formal establishment of the development agency, and in the interim the work will be assisted by the Policy & Resources sub-committee. The agreed land will be transferred in tranches rather than as a whole, prioritised in order of potential use.
- 1.10. An initial budget of £1 million in total for the first two years of the development agency is to be invested as seed funding to support the establishment of the agency. The development agency will provide a plan for its longer-term funding before the end of year two of its existence, with the objective of moving to a model that is cost neutral to the States. Over time, the work of the development agency will enable savings to be made in the States by taking on commercial and management functions that previously the States would have had to undertake. In addition, the work of the development agency will add value to the States' land assets through the work it undertakes and manages.

- 1.11. The Policy & Resources sub-Committee that has prepared the ground for the establishment of the development agency will remain in place until the development agency is formally established and will assist in the transition.
- 1.12. The Local Planning Briefs for the St Peter Port and St Sampson Harbour Action Areas (“HAAs”) will be completed by the Development & Planning Authority by December 2022. The former has already been funded; the latter has funding allocated to it on the Government Work Plan and will be provided to the Development & Planning Authority at their formal request in order to begin this work.
- 1.13. If the development agency is successfully established, the political oversight group will discuss with the States of Alderney how the model may be extended or adapted to support development opportunities in Alderney.

## **2. Regeneration of the eastern Seafront Enhancement Area**

- 2.1. The Seafront Enhancement Area (“SEA”) programme was initially identified as one of the States of Guernsey’s policy priorities in the Future Guernsey (Policy & Resource) Plan. At that time, the SEA programme was concerned with coordinating multiple existing and emerging States of Guernsey work streams in order to provide a single, consolidated approach to the provision of infrastructure and to progress economic, environmental, social and cultural opportunities along Guernsey’s east coast.
- 2.2. In the previous term of Government, a Steering Group was established and tasked with bringing forward the SEA Programme. Whilst the work of the Steering Group did not result in significant development, valuable stakeholder engagement was undertaken which remains relevant to the work of the current Policy & Resources Committee sub-Committee, and sets the foundation for the sub-Committee to identify a vision, objectives and operational principles for the Development and Regeneration Board which is now known as the development agency.
- 2.3. The sub-Committee was established in April 2021. The sub-Committee was tasked with (a) the development of a draft mandate for a development agency that includes a vision, objectives and operational principles, and (b) building on the foundation set by the Steering Group so that the development agency, once established, can act promptly in discharging its mandate through clearly defined areas of responsibility.
- 2.4. The Policy & Resources Committee appointed Mr Stuart Falla, CBE as chair of the sub-Committee; and Mr John Hollis, Mr Andrew Haining and Ms Anna Guggenheim, QC as formal members. In addition, Mr Simon Holden and Mr Chris Sherwell have also been directly involved in the sub-Committee’s work. All of the

members gave their time and expertise for free. The Policy & Resources Committee's lead on this matter, Deputy Mark Helyar, is also a member of the sub-Committee.

2.5. At the States' meeting on 16<sup>th</sup> June 2021, the States of Deliberation considered a Policy Letter entitled 'Future Harbour Development'<sup>1</sup>, which identified a number of specific possibilities to address future harbour requirements including development of St Peter Port and St Sampson's harbours or the creation of a new harbour. At this meeting, the States of Deliberation resolved:

- To direct the States' Trading Supervisory Board to submit by the end of December 2022 a Policy Letter together with suitable propositions, which provide for a scheme to develop within St Peter Port Harbour a 'Pool Marina' with associated marina facilities and which includes costings and a delivery plan;
- To direct the Policy & Resources Committee to establish a Development and Regeneration Board, as an arm's length body of the States or similar entity, to replace the interim sub-Committee established by the Policy & Resources Committee to advise it on the development of the Seafront Enhancement Area;
- To direct the Policy & Resources Committee to develop Propositions and an accompanying Policy Letter, for consideration by the States of Deliberation at the earliest opportunity and not later than December 2021, which shall include recommendations on:
  - A. The mandate, membership, accountability, funding, and involvement in the preparation of the long-term development strategy for the Seafront Enhancement Area of the Development and Regeneration Board; and
  - B. A timeline and set of steps to develop the seafront masterplan, which shall include within St Peter Port Harbour a 'Pool Marina' with associated modern marina facilities, by December 2022.

2.6. The steps required to establish a plan for the co-ordinated development of infrastructure along the eastern seafront are set out below in sections 4 and 6 of this Policy Letter. A more detailed timeline will be established subject to the approval by the States of Deliberation of the Propositions in this Policy Letter.

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<sup>1</sup> [Billet d'État XIII of 2021, Volume 2, Article 12](#)

### **3. Work of the Policy and Resources sub-committee**

- 3.1. In July 2021, the Government Work Plan was approved by the States of Deliberation<sup>2</sup>, replacing the Future Guernsey Plan as the overarching strategic direction for the States of Guernsey. Within the Government Work Plan, under 'Regeneration', specific reference is given to the establishment of a development agency and the start of work on the development of the seafront as priority actions for the current term of government.
- 3.2. The Government Work Plan agreed by the States in July 2021 makes clear that government needs to be prepared to step back and work in partnership or let others take the lead and apply their expertise and capacity. The funding and investment plan agreed as part of the Government Work Plan makes clear that the States should work in partnership with the private sector to deliver capital schemes. Therefore, the approach to establishing the development agency is firmly underpinned by the Government Work Plan in all respects, and the approach set out in the policy letter will help to deliver those principles.
- 3.3. In response, the sub-Committee was tasked with the preparation of a Policy Letter setting out the rationale for the formation of an adequately funded and constituted development agency that can deliver the strategic objectives of the States of Guernsey through the provision of infrastructure along Guernsey's east coast. In the sub-Committee's view, the establishment of a development agency would support the following Government Work Plan aims:
- Resilient and sustainable infrastructure and connectivity;
  - Greater innovation and creativity in existing and new sectors; and
  - Effective community partnerships and increased civic participation.
- 3.4. Likewise, the sub-Committee noted that the establishment of a development agency would enable the delivery of other priorities, including:
- Setting out a clear plan for Guernsey's future harbour requirements, in consultation with Guernsey Ports, the Harbourmaster, the States' Trading Supervisory Board, the Development & Planning Authority and the Principal Committees of the States;
  - Supporting the development of economic and environmental opportunities in the blue economy and the green economy;
  - Enhancing the visitor economy through investing in Guernsey's tourism product and heritage;
  - Supporting the development of a Bridge Strategy;

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<sup>2</sup> [Billet d'État XV of 2021](#)

- Making the centres of St Peter Port and St Sampson more attractive as places to live, as well as work, whilst also meeting current housing needs through new homes in regeneration projects;
  - Supporting decarbonisation of the island by taking into account the States' long-term energy objectives in regeneration projects;
  - Providing increased momentum to complete essential infrastructure maintenance and coastal defence projects and harbour maintenance whilst building resilience to climate change and helping to mitigate and reduce environmental risk;
  - Bringing forward development opportunities through implementation of the Development Frameworks for the Regeneration Areas adjacent to the harbours; and
  - Bringing forward development opportunities through implementation of the Local Planning Briefs for St Peter Port Harbour Action Area and St Sampson Harbour Action Area.
- 3.5. Also noted was the alignment of the Government Work Plan with the United Nations Sustainable Development Goals. The establishment of a development agency would result in further enabling sustainable development goals being met in respect of Industry, Innovation and Infrastructure (Goal 9), Sustainable Cities and Communities (Goal 11), and Partnerships (Goal 17).

#### **4. Objectives and principles**

- 4.1. As a starting point, the sub-Committee considered the objectives and principles previously identified by the Steering Group. As the objectives and principles were developed following significant public and stakeholder engagement, it was the view of the sub-Committee that there was value in retaining the overarching direction of these documents, but that they should be realigned to better represent the more pragmatic approach of the proposed development agency towards the enhancement of Guernsey's east coast and to better reflect the new mandate.
- 4.2. The sub-Committee undertook an indicative scoping exercise in which potential developments for Guernsey's east coast were identified. The purpose of this exercise was not necessarily to inform the content of any ultimate strategy setting out the development that will be delivered by the development agency, but rather to explore the potential scope of possible development that could come forward, and so should be enabled within the overarching guidance and direction given to the development agency once established.



- 4.3. Building on the foundation set by the Steering Group, and following the scoping exercise, the sub-Committee identified the following overall objective for the development agency:

*“Create great places to live, work and visit more easily.”*

- 4.4. To support this overall objective, the sub-Committee resolved that the development agency should not only meet the priorities outlined in the Government Work Plan particularly in relation to delivering economic potential and opportunity, but should also rank the projects it ultimately considers, to ensure that priority is given to projects where:

- There is improvement to infrastructure which enables the effective and efficient functioning of the Island;
- Improvement is made to the land connection between the two Main Centres along the east coast waterfront such that the Integrated Transport Strategy is respected;
- Opportunities are taken to mitigate current and future environmental threats, environmental objectives agreed by the States, and to support the emerging Blue Economy Supporting Plan;
- Guernsey’s maritime culture and heritage (which add to its attractiveness as a maritime destination) are celebrated and respect is accorded to the emerging Blue Economy Supporting Plan, the Tourism Strategy and the Strategy for Nature;
- Exceptional quality of design is on offer, and in particular where designs are of iconic merit; and
- The political mandates of the Principal Committees of the States of Guernsey are recognised and supported.

- 4.5. It is the view of the sub-Committee that the principles under which the agency should operate will be just as important as the high-level backdrop of the Government Work Plan. The sub-Committee resolved that the development agency, once established, should be able to deliver the following:

- Guernsey’s future harbour requirements, in consultation and collaboration with the States’ Trading Supervisory Board and other Principal Committees of the States;
- Set out the issues and opportunities for identified areas of the Eastern Seaboard and give practical guidance to developers, investors and others as to how the area can be developed beneficially in accordance with established land use policies;

- Establish clearly defined responsibilities between the various parties to projects and identify specific outcomes, outputs and benefits with clear dates for delivery;
- Create investment opportunities for local and overseas developers and investors to participate in the island's infrastructure development projects. All projects should be affordable and fundable to encourage private sector participation;
- Support and embed ESG (environmental, social and governance) principles and outcomes;
- Work with development partners where only a ground rent is paid or in a partnership between the States and the private sector to achieve a particular objective. There will be circumstances when the States invest directly in certain infrastructure or public amenity;
- Establish which projects will bring in revenue, which projects are likely to be revenue-neutral, and which projects will need an injection of funding. It should ensure a risk assessment of each project, and that projects can be funded from available sources of finance and align with any sourcing constraints;
- Develop a joint-venture strategy to support projects that requires the agency to work in partnership with the private sector. It should also prepare an acquisitions strategy for land assembly should that be necessary;
- Undertake or commission any relevant research and investigations into the viability of various projects. It will investigate other regeneration projects of similar scale to learn from both successes and pitfalls;
- Take responsibility for establishing contracts with advisers and designers, overseeing any tendering process and applying for specific planning permission;
- Aim to optimise the use of local contractors and suppliers providing that value for money, capacity, expertise and capability are aligned; and
- Respond to changes in the local market to match the level of available resources and labour skills required to successfully deliver a project, and to match the ability of potential suppliers to deliver the required goods and services so that much of the value enters the local economy.

4.6. Subject to approval by the States of Deliberation, the development agency will be tasked with the production of a long-term development plan, setting out the options for the provision and delivery of infrastructure along Guernsey's east coast, which will incorporate the work undertaken on Guernsey's future harbour requirements. The long-term development plan will follow the strategic direction set by the States of Deliberation in relation to east coast development, which is

set out in section 9 of this Policy Letter seeking the support of the Assembly, and will be informed by an analysis of economic, social and environmental opportunities for the east coast carried out by or commissioned by the development agency to support the identification of the prioritised projects in the long-term development plan. It will also be cognisant of the mandates of the Principal Committees of the States of Guernsey.

- 4.7. The agreed strategic direction will outline, at a high level, the way in which targeted and coordinated infrastructure provision can deliver the strategic objectives of the States of Guernsey, as set out in the Government Work Plan. The long-term development plan will establish the priorities for development and will also identify where these priorities require government involvement in order to realise benefit.
- 4.8. The production of the long-term development plan will run concurrent with the development of Local Planning Briefs (“LPBs”) for the St Peter Port and St Sampson HAAs, which will also follow the guidance and direction in the strategic direction set out in this policy letter. This will ensure consistency between the long-term development plan and the LPBs so that prioritised projects for the HAAs can be delivered through land use policies for these areas.
- 4.9. During production of the long-term development plan and the LPBs, engagement between the development agency and the Development & Planning Authority will be essential, so that the content and recommendations of the long-term development plan and Local Planning Briefs are aligned. Once approved by the States of Deliberation, the LPBs will set the policy and direction for the HAAs and will provide clear guidance, alongside the long-term development plan, to prospective developers and investors, whose development proposals must align with both the long-term development plan and LPBs.
- 4.10. Development may also be proposed on the east coast which falls outside of the HAAs. Where this is the case, the proposals – which may include strategic infrastructure projects – will be guided by and must align with the long-term development plan and the requirements of the established land use policies, which may include Development Frameworks or LPBs for particular sites in accordance with those policies.
- 4.11. The long-term development strategy will be developed by the development agency in partnership and collaboration with the States and with external community stakeholders, and in alignment with government objectives monitored by the political oversight group. This long-term strategy for the east coast is therefore not a single high-level spatial plan but is rather a combination of co-ordinated components which act together to provide strategic direction, enabling policy development and a plan for implementation through prioritised and funded projects and investment opportunities.

## **5. The establishment of a development agency**

- 5.1. Development agencies are widely used by the governments and local authorities of the British Isles to help facilitate development and regeneration. In order to be effective a development agency needs to be enabled to make commercial investment decisions, but this must be balanced with the need for accountability for the use of public resources and assets. In the UK and other Crown Dependencies, generally, the approach has been to establish a company that has effective ministerial oversight and clear strategic direction.
- 5.2. However, in the context of Guernsey and its machinery of government, consideration needs to be given to the sort of model which would provide the same clear lines of accountability and oversight, whilst enabling the development agency to make commercial investment and development decisions in relation to land which it is managing on behalf of the States.
- 5.3. In 2019, the Isle of Man Government commissioned a report from PwC on possible models of development agencies to inform the creation of a development agency in the Isle of Man ('the PwC Report') ([Isle of Man Government - Report into Urban Development Agency Models](#)). The Isle of Man Government was looking for an initiative to secure development of unused urban and brownfield sites in the Isle of Man. The PwC Report included a review of comparable jurisdictions including the Jersey Development Corporation, the Guernsey Seafront Enhancement Area Programme, and agencies in the UK such as that responsible for the Titanic Quarter in Belfast. The Isle of Man parliament, Tynwald, subsequently approved the creation of a development agency to work in partnership with the Isle of Man Government and the private sector. This led to the creation of the Manx Development Corporation ([Isle of Man Government - Manx Development Corporation](#)).
- 5.4. The PwC Report focused on the need for development agencies to be nimbler than government in delivering construction projects. This makes the proposition more attractive for commercial investors while maintaining the balance of accountability over public assets. A critical component that has been missed in some other jurisdictions is the need for clear strategic direction set by government. Whilst it is important that the strategic direction is high level so as to not place undue restriction on the development agency and thereby curtail its ability to act nimbly, it is nonetheless important to clearly set out the high level parameters within which the development agency can operate from the outset.
- 5.5. The PwC Report made the following general recommendations (which generally are not specific to the initiative in the Isle of Man):
  - Establish a development agency that is autonomous, in corporate form, and accountable through transparency and trust;

- Provide the development agency with sufficient powers to achieve its strategic goals, set within an agreed plan;
  - Identify strategic redevelopment areas and provide the framework to deliver cost neutral development outcomes;
  - Establish and maintain a flexible fiscal and funding environment in which development is economically viable;
  - Coordinate multi-agency and Government initiatives to maintain economic development.
- 5.6. The PwC report set out that the key balance to consider when creating an agency to carry out activities on behalf of a government is for that agency to operate at arm's length within clear parameters as well to be accountable. PwC concluded that, in the case of the Isle of Man, the development agency should:
- Be a body corporate – have its own legal persona;
  - Have ministerial oversight as the sole shareholder;
  - Have apolitical executive directors, ideally recruited from off island, with freedom to operate without political interference;
  - Have non-executive directors providing strategic oversight (with no more than one political member) and relevant expertise;
  - Promote accountability and transparency through publishing annual reports; audited accounts; and information on its activity and strategy.
- 5.7. The PwC report suggested that alongside the establishment of a development agency, governments can streamline the ability for these agencies to achieve their objectives. For example, there is significant benefit in aligning government policy and procedures to the agreed work of the company, in a non-discriminatory way, such as providing financial incentives for development that favour both land in the control of the company as well as that which is privately held. This alignment of policy and procedures will mean a close working relationship between the development agency and government which is highly desirable.
- 5.8. The need to have direct oversight of an agency from a minister in the context of Guernsey and its machinery of government, in the absence of ministerial government, will provide particular challenges. The provision of oversight through a decision-making process by Committee or the Assembly may frustrate the need for the clear fast-paced direction needed for the development agency to operate effectively with the confidence of commercial investors. That is why the recommendation includes a political oversight group to ensure clear dialogue between the development agency and the wider States.

5.9. Following wide-ranging research, two final options for the governance structure of a development agency in Guernsey have been considered in detail:

*5.9.1. Option 1: Committee of the States*

5.9.1.1. A committee could be formed by resolution of the States of Deliberation. The role and membership of the committee would be defined by its mandate and constitution. This could frame powers expressly granted to that committee to the extent the States' Assembly is willing to delegate those powers. It would be desirable from a democratic perspective to ensure that a majority of members of such a committee were members of the States, a principle already established for the States' Trading Supervisory Board. The committee would be subject to the usual governance arrangements for committees of the States under the Rules of Procedure.

5.9.1.2. This option would not be distinct from the States of Guernsey and would not have a separate legal persona. While this would provide the maximum level of accountability it would not provide the distance from government recommended to help the agency meet its objectives. This option is very close to the arrangement in the previous term, which is not viewed to have been effective nor to have made sufficient progress and does not align with the intentions of the Government Work Plan for government to be prepared to step back or work in partnership with others where this would better deliver strategic objectives.

*5.9.2. Option 2: Establish a company limited by guarantee*

5.9.2.1. The approach adopted by the Isle of Man and Jersey, advocated by the PwC Report, is for the governments to establish a company, as a separate legal persona, which can act on a commercial basis. The articles of association could be framed in a way that ensure the appropriate governance arrangements, including the constitution of the board of directors, the transparency requirements and role and mandate of the company.

5.9.2.2. The States of Deliberation could establish the company setting out clearly the way in which government will interact with the company and the overall strategy. A detailed strategy set by the States would need to be agreed and kept under review.

5.9.2.3. The company will need to have sufficient control of the land identified for investment, either through having these assets transferred to it, or through a defined relationship with the landowner (in this case the States of Guernsey).

- 5.9.2.4. The greater the independence to act, the more commercial the decision making can be and, equally, the greater the need for defined and well-structured lines of accountability. Safeguards to prevent perceived and real conflicts of interests will be required.
- 5.9.2.5. In order to provide for accountability, the board of the development agency would be appointed by the States of Deliberation at the nomination of the Policy & Resources Committee. Reporting mechanisms can also be defined in the Memorandum and Articles of the business as well as other governance issues such as confidentiality and liability. The power to raise capital, enter into commercial contracts or establish companies or partnerships with private sector investors could also be defined.
- 5.9.2.6. The board of the development agency could be given powers to appoint and define remuneration of staff. As well as recruitment from the private sectors, civil servants could also be seconded to the body.
- 5.9.2.7. It would be neither appropriate nor necessary for the development agency to have States' representation on the board. Instead it is proposed that an oversight group of three political members is established to ensure good governance in line with the principles set out in paragraphs 4.5 and 4.6. The political oversight group should be comprised of Members of the Committees of the States that have responsibility for the development and regeneration of Guernsey. With that in mind, the proposed membership of the political oversight group is:
- Treasury lead on the Policy & Resources Committee, Chair;
  - President of the Committee *for* Economic Development or a delegated alternate from that Committee; and
  - President of the Committee *for the* Environment & Infrastructure or a delegated alternate from that Committee.

If required, those Committees may also appoint alternates.

- 5.9.2.8. The political oversight group will have oversight of the appointment process of a board for the development agency. The establishment of a development agency will provide the opportunity to appoint an independent chair together with other non-States members to emphasise the continuity of the agency outside of electoral terms. The membership will be comprised of independent subject-matter experts that are most qualified to deliver on its mandate with the chair of the oversight group attending all meetings. The board will total up to six people including the chair. All of the appointments will be made via an open and transparent process, beginning with the recruitment of the chair, who will then support

the oversight group in the recruitment of board members. All of the board appointments will be remunerated in line with non-political voting members of the States' Trading Supervisory Board.

5.9.2.9. The board will require experience and skills which should include:

- An understanding of influencers and stakeholders in Guernsey;
- A strong link into the business community and third sector with an understanding of the environmental, economic, social and value drivers required to futureproof the island and harness this opportunity;
- An understanding of the real estate market and transactions at a high level; and
- A clear understanding of local entrepreneurial organisations that are capable of enlivening the areas and can be encouraged to effect change in the immediate future.

5.9.2.10. The political oversight group will also ensure that States' processes do not unduly inhibit the ability of the development agency to discharge its responsibilities or meet its objectives, and will see to ensure any barriers to progress are removed, acting as the shareholder on behalf of the States.

5.9.2.11. To further strengthen governance, the Policy & Resources Committee, as the sponsoring Committee of this policy letter, will be the conduit for States' Members to ask Rule 11 and Rule 14 parliamentary questions in respect of the development agency, and will provide responses to those questions in consultation with the political oversight group of the development agency.

## **6. Post-establishment steps for the development agency**

6.1. The development agency will be obliged to follow the strategic direction set out in section 9 of this Policy Letter and the States' land use policies set out in the Strategic Land Use Plan and the Island Development Plan<sup>3</sup> or any subsequent land use and development plans, as may be modified by the LPBs for the HAAs in both St Peter Port and St Sampson or any other LPB required by the States' land use policies. The Local Planning Briefs for the St Peter Port and St Sampson HAAs will be completed by the Development & Planning Authority by December 2022.

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<sup>3</sup> [Island Development Plan](#)



- 6.2. Once the States has approved the LPBs, the development agency will finalise its medium-term plan for development as a first phase of the final long-term plan. This plan will identify themes for development intended to provide comprehensive guidance to those that hold land. Where there are non-speculative enabling infrastructure projects that need to be delivered and where the market does not provide an option, the development agency may be best placed to take forward these projects, and these should be set out in the plan.
- 6.3. This first phase of the long-term development plan will require skilful analysis to identify those key enablement projects that, when taken together, offer the greatest opportunity for regeneration and the best return on investment (which could be environmental, social and cultural benefits as well as economic). This will require an analysis of economic, environmental, social and cultural opportunities for the east coast to support both the identification of the themes for development and prioritised projects in the long-term development plan. The commitment to these projects will encourage further development by landholders on neighbouring land.
- 6.4. The agency will set out Guernsey's future harbour requirements, in consultation and collaboration with the States' Trading Supervisory Board and other Principal Committees of the States. This will draw upon the work coordinated by the States' Trading Supervisory Board for the 2021 policy letter on Guernsey's future harbour requirements and will undertake consultation with stakeholders.
- 6.5. The agency will also transform into a delivery enablement vehicle. Consultation, feasibility, commercial reviews, business cases and development briefs will be analysed before any project can be presented to the Development & Planning Authority for planning considerations. Enablement projects will commence once the development agency is satisfied that they are viable and fundable, and it will be the task of the development agency to ensure their delivery.
- 6.6. At all times, the agency will adhere to operational principles that are outlined in paragraph 4.5.
- 6.7. The development agency will deliver an annual report to the political oversight group and the States against which its performance will be benchmarked and its scope reviewed.
- 6.8. The following is a summary of the likely objectives, targets and activities for the development agency:

<b>Timeline</b>	<b>Development Agency Activity</b>	<b>Governance</b>
Q1 2022	Establishment of Development Agency – Appoint three members of staff (chief executive, commercial development officer and administrator) at £250k. Set up office, IT, etc at £250k.	Policy & Resources Committee budgets against policy letter requirements
Q2 2022 to Q1 2023	Analysis of economic, social and environmental opportunities carried out or commissioned by the development agency (in consultation with relevant stakeholders), to support identification of prioritised projects in the long-term development plan. This will run concurrent with the development of Local Planning Briefs by the DPA for the Harbour Action Areas. Analysis of the economic social and environmental opportunities will cost circa £500k.	Approval of LPBs by the States in Q1 2023
Q2 2022 to Q1 2023	Production of a long-term development plan, setting out options for the provision of infrastructure on Guernsey's east coast, including identification Guernsey's future harbour requirements and of development themes (medium term plan), to provide guidance to landholders.	Future harbour requirements to be undertaken in consultation with the States' Trading Supervisory Board. Approval of medium-term and long-term development plan by Agency Board in Q1 2023
December 2022	Delivery of annual report to the Policy & Resources Committee	The Policy & Resources Committee considers annual report
Q1 2023	The agency will transform into a delivery enablement vehicle.	The Policy & Resources Committee agrees details of agency budget (not exceeding £1m) for 2023, to cover staffing costs and operations.
Q1 2023 to Q4 2023	Investigate options for payback mechanisms to ensure that the development agency is cost neutral to the States from Year 3 onwards	Agency Board to consider options for funding, in consultation with the Policy & Resources Committee
Q1 2023 to Q4 2023	Carry out consultation, land assembly, feasibility studies, identification of funding mechanisms and investment opportunities, commercial reviews, business cases and development briefs. Projects commence once the development agency is satisfied they are viable and fundable, and it will be the task of the development agency to ensure their delivery.	Agency Board to analyse detailed project proposals and ensure consistency with the objectives of the States and all other strategic requirements, before submission to the DPA for planning approval.

Q4 2023	Development agency submits development proposals to the DPA for planning approval.	DPA to consider and determine individual proposals in line with the Planning Law
December 2023	Delivery of Annual Report to Policy & Resources Committee	Political oversight group to consider annual report
January 2024	Continuation of work on delivering the long-term development plan through land assembly, securing finance and identifying investment opportunities, securing developers, securing construction partners, preparing development proposals, etc.	Agency Board provides stop/go gateway for specific projects and ensures consistency with the latest objectives and the strategic direction set by the States.
Q4 2024	Agree and establish mechanisms for payback to the States to ensure Agency is cost neutral to the States after Year 3.	Agency board and P&R to agree mechanisms to ensure agency is cost neutral to the States of Guernsey

## 7. Resources for the development agency

- 7.1. The States will need to invest seed funding for the establishment of the development agency for the initial two-year period. It is the intention that future funding for the agency will be generated through the property and land assets managed by the development agency. It may also be provided by partnerships with the private sector on projects.
- 7.2. The development agency will be small and efficient but with the ability to draw in consultants and expertise as appropriate and with authority to implement the long-term development plan once finalised. It is likely that at least three permanent members of staff will be needed: A Chief Executive role, a commercial development role, and an administration role. The lead individuals will need an understanding of influencers and stakeholders in Guernsey and be well linked into the business community and third sector, with an understanding of the economic social and value drivers required to future proof the Island. This team would be supplemented by consultant expertise, including real estate consultants and architects.
- 7.3. It is estimated that the costs of work undertaken and commissioned plus staffing would be around £500,000 per annum, based on the table set out in paragraph 6.8 and drawing on examples of similar bodies in other jurisdictions and arm's length bodies in Guernsey and commissioned bodies. Therefore, at this stage it is recommended that a budget of £1 million is provided for the first two years of the development agency's establishment. A longer-term business plan and budget will be developed by the agency and considered and approved during that period. Should further States' funding be required, this will be incorporated in normal States' planning through the Government Work Plan and the Annual

Budget. However, the objective is that the agency moves to a model that has no cost for the States.

7.4. The potential return on this investment will include:

- Providing returns to the taxpayer that are, overall, higher than direct land sales. Were the States to sell land it would get back some money for the taxpayer, but the States would no longer own the land and would have less control over the public spaces created. By developing the land in this way, the States would increase the value of its assets and receive rental income, while creating lasting, appropriate public spaces;
- Developing attractive community spaces and a public realm with environmental, social and cultural value;
- Increasing the value of States-owned assets through its management and development of those assets;
- Supporting the economy by generating work and infrastructure for businesses to grow;
- Providing alternative schemes for tenants to choose from;
- Providing a land assembly function to ensure that sites are not developed individually, but are assembled for maximum economic, social and environmental benefit; and
- Providing a service that does not currently exist in the States to proactively ensure development that has received permission is delivered as soon as possible whilst meeting States' and community objectives.

7.5. In establishing the development agency, the Policy & Resources Committee will set out clear financial arrangements based on the following principles:

- A seed funding budget of £1 million over two years to establish the development agency will be provided by the States;
- The development agency will need to provide a clear plan for longer-term funding during year two of its establishment. Public-private funding opportunities should be fully explored;
- Agreement will need to be reached on the policy of any surplus funds or profits generated by the development agency and how any such surpluses should benefit the States and the public purse; and
- The criteria by which the States may be asked to invest in potential future development opportunities.

## **8. Strategic direction for the development agency**

- 8.1. It is important for the effectiveness of the development agency that it works within defined parameters established through a high-level strategic direction by the States (as advocated by the PwC report). The proposed strategic direction is set out in section 9 of this policy letter and Proposition 2 of this policy letter is asking the States Assembly to approve it. It is also important that Local Planning Briefs for development on the east coast, including for the HAAs, follow the same strategic direction so that the components that form the 'masterplan' are aligned and project delivery can be realised. The strategic direction must be aligned to the delivery of the States' priorities as set out in the Government Work Plan.
- 8.2. Investment in infrastructure has been recognised as critical for economic recovery and sustaining our quality of life, whilst balancing the protection of the natural environment.
- 8.3. The Government Work Plan has identified the need to establish a development agency and enable work to begin on the development of the components that together will form the long-term plan for seafront regeneration and development as one of government's ten critical actions to be given immediate priority.
- 8.4. Developing detailed proposals for future harbour development is also an agreed action within the 'Enable Opportunities for Regeneration' workstream in the Government Work Plan and has interdependencies with the development agency and the strategic direction it is set. This work will inform the infrastructure plan required to deliver effective harbour operations in Guernsey. The LPBs for the HAAs also fall under this work stream and they will need to be developed alongside, and take account of, the findings of the future harbour requirements work stream as it develops.
- 8.5. Under the Island Development Plan, a co-ordinated approach to the planning of mixed-use development within the HAAs is required. This includes looking at opportunities beyond the functional requirements of the ports, to promote wider social, economic and environmental objectives. The LPBs for the HAAs, once agreed by the Assembly, will set the guidance and land use policies which development proposals within those areas must accord with. The Strategic Direction is intended to ensure that the HAAs are not considered in isolation but interlink with the ports' infrastructure requirements and the long-term development plan which will help deliver the objectives and requirements and realise the opportunities set out in the Local Planning Briefs for these areas.
- 8.6. LPBs are required for the HAAs as there are strategic land use implications and a number of local policy issues that will need to be resolved. LPBs allow for a co-ordinated approach to large scale development on sites in multiple ownership,

so that the potential of these areas can be achieved giving benefit to the whole community. The process also presents an opportunity for new policies to be set for that specific area. LPBs have effect for 10 years subject to further extension by the States but can also be amended within the 10-year period through a statutory process.

- 8.7. The Government Work Plan also included a Recovery Action to complete Development Frameworks for all the Regeneration Areas by the end of 2021. Regeneration Areas have been identified through the Island Development Plan as areas where a coordinated, flexible, focused and positive approach to development could attract inward investment in the Main Centres and are most likely to provide economic, social and environmental improvements for the benefit of the community. Development Frameworks set out the issues and opportunities for each area and give practical guidance to developers, investors and others as to how the area can be developed beneficially in accordance with land use policies and can act as a catalyst for development. Three of the Regeneration Areas are located on the east coast and have a relationship with the harbour areas. All Development Frameworks have been completed and approved.
- 8.8. There is also a Government Work Plan Recovery Action to develop a Bridge Strategy with a focus on coastal defence considerations. This action will establish a localised plan to guide co-ordinated action on long-term solutions for flood/coastal defence, traffic, access and movement, connectivity and public realm improvements on the Bridge frontage (the action has a strong interdependency with the potential development of the Leale's Yard Regeneration Area).
- 8.9. The strategic direction will also need to demonstrate that other approved States' strategies and policies have been considered, including in relation to climate change, energy, transport, nature, and disability and inclusion.
- 8.10. Through the Energy Policy 2020-2050<sup>4</sup> the vision for Guernsey's energy future established that the vast majority of Guernsey's energy supplies will come from clean, low carbon sources and residual emissions will be offset by 2050 at the latest. It is essential that Guernsey's energy supply is resilient, secure and sustainable and future infrastructure should incorporate and facilitate this. The vision states that "Guernsey will be aligned with global efforts to reduce emissions and development of renewable technologies".
- 8.11. The effects of climate change are already being experienced and the need for urgent and meaningful action is widely recognised. The majority of the last decade has been warmer than average and there is more extreme weather

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<sup>4</sup> [Billet d'État XI of 2020, Article 8](#)

(more intense rainfall, greater frequency of storm damage, and flooding to name a few examples), along with sea levels rising. The Climate Change Policy & Action Plan<sup>5</sup> was agreed by the States of Deliberation in August 2020, formally setting the target of net zero emissions (or carbon neutrality) by 2050 in relation to greenhouse gas emissions. This includes Scope 1 and 2 emissions and Scope 3 emissions as a result of waste management and off-island travel. These targets will only be achieved through a co-ordinated approach from government, businesses and individuals and need to be carefully considered in the Strategic Direction.

- 8.12. The Strategy for Nature<sup>6</sup> was also endorsed by the Assembly in 2020 and incorporates a framework of high-level objectives that encompass the latest advances in mainstreaming biodiversity (implementing Biodiversity Net Gain as one example) and horizon scanning for pressures on nature, through increasing community awareness of nature and its health and wellbeing benefits whilst realising its economic potential. Building resilience of our species and the health of our marine and land environments to adapt to climate change is a strategic need for the Island and therefore needs to be integrated into wider States strategies and policies, including this Strategic Direction, to enable the objectives of the Strategy for Nature to be met.
- 8.13. The need to reduce Scope 1 emissions – all direct on-island emissions – has been recognised for some time and is reflected in the vision the On-Island Integrated Transport Strategy<sup>7</sup>:

“To facilitate safe, convenient, accessible and affordable travel options for all the community, which are time and energy efficient, enhance public health and the environment and minimise pollution”

The Integrated Transport Strategy also recognises the importance for connected and accessible infrastructure to enable increased journeys made by active travel modes including by foot, bike and bus whilst also improving safety for all users.

- 8.14. The Disability and Inclusion Strategy<sup>8</sup> was agreed by the States in 2013. The strategy aims to improve the quality of life of disabled Islanders and their carers through changing attitudes towards disabled people and carers so that they can be active and engaged socially, economically and culturally. A disabled person and carer must never be treated worse than others, excluded from or denied access to goods, services, education, work or social life on the basis of their disability or because they provide care for a disabled person. The Strategic

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<sup>5</sup> [Billet d'État XVI of 2020, Article 8](#)

<sup>6</sup> [2020 Strategy for Nature](#)

<sup>7</sup> [On-Island Integrated Transport Strategy](#)

<sup>8</sup> [Billet d'État XXII of 2013, Article 9](#)

Direction will need to consider how provision for disabled people and carers can be embedded into development and promote an inclusive attitude towards disability. This will also support the ageing demographic when potentially more Islanders will have impairments.

## **9. The strategic direction**

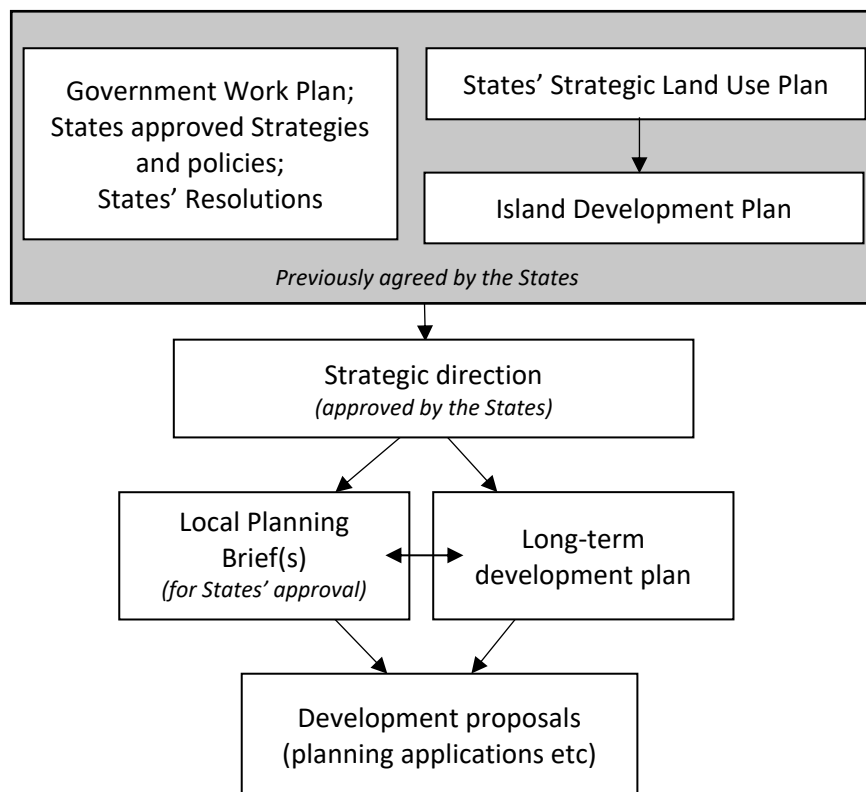
- 9.1. This strategic direction sets the overarching approach that the States of Guernsey wishes to take towards the provision of infrastructure on the east coast for **at least** the next 20 years and sets the wide parameters for both the work of the development agency and the development of States of Guernsey strategy and policy in relation to east coast development.
- 9.2. The overall purpose of the development agency is to secure co-ordinated development along Guernsey's east coast in a way that successfully delivers economic, social and environmental outcomes through the management of land and infrastructure as a strategic resource.
- 9.3. The strategic direction will:
  - Provide the parameters for the operation of the development agency in its role of producing a long-term development plan for the provision of infrastructure along Guernsey's east coast, setting the parameters for what the Development Agency can consider for inclusion in the long-term development plan;
  - Set the broad and long-term agenda and priorities for the approach to the provision of infrastructure along Guernsey's east coast, which will inform the work of the Development Agency and States of Guernsey;
  - Provide guidance and direction for the development of the St Peter Port and St Sampson's HAAs, as well as any other Local Planning Briefs or significant infrastructure projects proposed along Guernsey's east coast, in order to ensure a consistent approach between the work of the Development Agency and the supporting strategies and policies of the States of Guernsey;
  - Enable the States of Guernsey to set an overarching long-term direction for the provision of infrastructure along Guernsey's east coast, which any future developments must adhere to;
  - Enable the development agency to achieve continuity of approach to development across Government terms by providing a strategic framework for the Development Agency to confidently work within, whilst also providing accountability of the development agency to the States of Guernsey through an overarching goal and set of objectives;



- Provide confidence to potential investors, by providing a framework which aligns specific developments with the ultimate goals of the States of Guernsey, as set out in the Government Work Plan;
  - Maximise the overall potential of land and resource use, by creating an overarching framework which encourages development to be considered holistically, rather than in a piecemeal approach; and
  - Ensure that developments are aligned with the strategic objectives of the States of Guernsey, as agreed in the Government Work Plan or subsequent strategic plans of the States of Guernsey.
- 9.4. In order to achieve the States priorities, the strategic direction sets a number of core objectives, which set out the priorities for the long-term provision of infrastructure along Guernsey's east coast. As set out in paragraph 3.4, proposed development should:
- Support the development of economic and environmental opportunities in the blue economy and the green economy;
  - Enhance the visitor economy through investing in Guernsey's tourism product and heritage;
  - Support the development of a Bridge strategy;
  - Support the Strategy for Nature;
  - Make the centres of St Peter Port and St Sampson more attractive as places to live, as well as work, whilst also meeting current housing needs through new homes in regeneration projects;
  - Support decarbonisation of the island by taking into account the States' long-term energy objectives in regeneration projects;
  - Set out a clear plan for Guernsey's future harbour requirements, in consultation with Guernsey Ports;
  - Provide increased momentum to complete essential infrastructure maintenance and coastal defence projects and harbour maintenance whilst building resilience to climate change and help mitigate and reduce environmental risk;
  - Bring forward development opportunities through implementation of the Development Frameworks for the Regeneration Areas adjacent to the harbours; and
  - Bring forward development opportunities through implementation of the Local Planning Briefs for St Peter Port HAA and St Sampson HAA.
- 9.5. Furthermore, the strategic direction requires that proposals should be facilitated and prioritised where:

- Improvement is made to infrastructure which enables the effective and efficient functioning of the Island;
  - Improvement is made to the land connection between the two main centres along the east coast waterfront;
  - Opportunities are taken to mitigate current and future environmental threats;
  - Guernsey's maritime culture and heritage (which add to its attractiveness as a maritime destination) are celebrated;
  - Exceptional quality of design is on offer, and in particular where designs are of iconic merit; and
  - The political mandates of the Principal Committees of the States of Guernsey are recognised and supported.
- 9.6. As a key principle underpinning the approach to achieving the strategic direction, policy formulation and proposed developments for the east coast should be consistent with the strategic objectives of the States of Guernsey, as set out in the Government Work Plan or subsequent overarching strategic plans of the States of Guernsey and other approved States strategies.
- 9.7. The development agency should focus initially on developments that support the delivery of the St Peter Port and St Sampson's HAAs and the Regeneration Areas which are located adjacent to the harbours. To inform identification of priority projects the development agency should carry out analysis of economic, environmental and social opportunities for the east coast. There is merit in focussing on these areas as:
- they are identified areas of strategic redevelopment opportunity (as advocated by the PwC report) where land use policies will enable large scale development;
  - development will support the main centres along Guernsey's east coast and the States approved spatial strategy; and
  - limiting the initial focus to these areas will in turn focus investment and potentially maximise benefit arising from said investment.
- 9.8. However, there may be other opportunities that come forward as the development agency investigates the long-term development plan which fall outside of the areas identified above. In such instances, the development agency will be required to make a case to the political oversight group, explaining how the development is aligned with the strategic objectives of the States of Guernsey and also represents sufficiently significant strategic merit for inclusion in the long-term development plan.

- 9.9. By initially focusing on the HAAs and the Regeneration Areas adjacent to the harbours, the route for potential development to move from a plan to physical development is simplified. Both the long-term development plan and LPBs will be required to align with the strategic direction, which should act to ensure the outcomes/recommendations of both sets of documents are complementary. However, as the long-term development plan and Local Planning Briefs will be developed simultaneously, it will be integral that there is engagement between the development agency and States of Guernsey in order to ensure both documents are informed by, and influence, one another.



- 9.10. As shown in the figure above, aligning the development of the Local Planning Briefs and the long-term development plan so that they are developed simultaneously will enable physical development proposals to come forward via planning applications in a much shorter timeframe than if the plans were developed sequentially. Subject to the States of Deliberation's approval of the Local Planning Briefs, this approach represents a comparatively simplified approach to large-scale developments which will enable the development agency to confidently engage with prospective investors in the knowledge that there is a clear mechanism for turning plans into action.

9.11. The role of the development agency in this process will be to:

- Engage with the Development & Planning Authority particularly, and other relevant States of Guernsey service areas, throughout the production of the long-term development plan;
- Analyse the economic, social and environmental opportunities for the east coast;
- Produce a long-term development plan, setting out the optimal approach to the long-term provision of infrastructure along Guernsey's east coast, which achieves the objectives and adheres to the principles of the strategic direction. The political oversight group will work with the development agency to ensure that the long-term development plan is aligned with the strategic direction; and
- Identify particular development opportunities and engage with interested parties and developers in order to secure investment to ensure the delivery of the long-term development plan.

9.12. The role of the States of Guernsey in this process will be to:

- Approve a broad overarching strategic direction which will inform the work of the development agency and other States of Guernsey policies and strategies (including Local Planning Briefs relevant to development on the east coast) with regards to infrastructure provision;
- Develop and approve the St Peter Port and St Sampson HAA LPBs (and any other LPB required to bring forward strategic infrastructure on the east coast) which will provide the planning framework to enable development to come forward; and
- Periodically review the strategic direction to ensure that it remains aligned with the overarching strategic objectives of the States of Guernsey.

9.13. A comprehensive review of the strategic direction will be undertaken every four years by the political oversight group in consultation with relevant Committees to ensure it is performing as intended and continues to enable delivery of the States' strategic priorities, or to identify amendments that are required to achieve that objective. However, if on behalf of the States the political oversight group identifies a need to amend or update the strategic direction, a review can be carried out sooner. If any changes to the strategic direction are required, agreement from the States will be obtained through the submission of a Policy Letter.

9.14. Notwithstanding the five-year review, the outcomes of the strategic direction will be regularly monitored to ensure that it is playing its part in making the most of opportunities and enabling delivery of strategic objectives. Annual reports will

be submitted to the Policy & Resources Committee by the development agency and these reports will be published. These will also provide an important 360-degree review function to identify if the strategic direction continues to support the development agency's objectives, or where it considers that amendments are required to deliver its mandated responsibilities.

## **10. Management of land assets to be transferred to the development agency**

- 10.1. Subject to the agreement of the States of Deliberation, further work will be undertaken to clarify the land assets for which the management will be transferred to the development agency from the States, including assets currently held by the Ports. The development agency will manage the land assets and property that is agreed, in line with the strategic direction set by the States, the operating principles also agreed by the States, and the financial arrangements that are put in place by the Policy & Resources Committee.
- 10.2. There are many potential options to be considered in respect of the land assets and property for which the management is to be transferred, and these are dependent on the long-term development plan, the anticipated work required to mitigate sea-level rises and the significance afforded to port infrastructure improvements.
- 10.3. There are some areas and properties in both St Sampson and St Peter Port that have traditionally been under the control and influence of Guernsey Ports that have little importance to Ports operations and can act as distractions to the Ports team. However, it should be noted that they may contribute positively to the Ports' financial position in respect of non-maritime revenues, and this will be recognised in any land or asset transfer. Equally, there are various smaller Ports-owned properties around the harbour area which are used to support Ports operations but are not critical to operations in their exact location. Detailed analysis will establish whether the current use can be relocated and amalgamated as part of the proposed reconfiguration and redevelopment of existing harbour infrastructure.
- 10.4. The Policy & Resources Committee will oversee the process by which the development agency and the political oversight group will discuss and agree with the States' Trading Supervisory Board which of the Ports properties are needed for Ports operations and which are either not essential or can be transferred as part of wider redevelopments. A policy approach to land transfers will be coordinated as the transfer of properties will inevitably develop over time as the strategic needs of the island change and as the long-term development plan emerges. The agreed land will be transferred in tranches rather than as a whole, prioritised in order of potential use, and to ensure that the governance structure put in place is effective.

## **11. Compliance with Rule 4**

11.1. Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.

11.2. In accordance with Rule 4(1):

- a) The propositions contribute to the States' objectives and policy plans by seeking to deliver one of the top ten prioritised Recovery Actions in the Government Work Plan, to 'Establish a development agency and enable work to begin on the development of the seafront regeneration masterplan'. The establishment of a development agency will contribute to the progress of many other Recovery Actions in the Government Work Plan, across several workstreams including: Enable Opportunities for Regeneration; Invest in Nature and the Natural Economy; Secure transport Connectivity and Infrastructure; and Meet Housing Needs.
- b) In preparing the propositions, consultation has been undertaken with the Committee *for* Economic Development, the Committee *for the* Environment & Infrastructure, the States' Trading Supervisory Board and the Development & Planning Authority.
- c) The propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- d) The financial implications to the States of carrying the proposal into effect are anticipated to comprise an initial budget of £1 million in total for the first two years of the development agency, to be invested as seed funding to support the establishment of the agency. The development agency will provide a plan for its longer-term funding before the end of year two of its existence, with the objective of moving to a model that is cost neutral to the States.

11.3. In accordance with Rule 4(2):

- a) The propositions relate to the duties and powers of the Policy & Resources Committee to advise the States and to develop and implement policies and programmes relating to the leadership and co-ordination of the work of the States, which includes promoting the States' overall policy objectives and facilitating cross-committee policy development.
- b) The propositions have the unanimous support of the Committee.

Yours faithfully

P T R Ferbrache  
President

H J Soulsby  
Vice President

M A J Helyar  
J P Le Tocq  
D J Mahoney