



# BILLET D'ÉTAT

WEDNESDAY, 14<sup>th</sup> DECEMBER, 2022

XXII  
2022

## *ELECTIONS AND APPOINTMENTS*

### *Appointments laid before the States*

Appointment of Ordinary Members of the Office of the Financial Services  
Ombudsman

### *Elections*

1. Election of a Member of the Committee for Education, Sport & Culture,  
P.2022/113
2. Election of Members of the Development & Planning Authority,  
P.2022/114

## *ITEM ADJOURNED FROM PREVIOUS MEETING*

3. Policy & Resources Committee and States' Trading Supervisory Board -  
Alderney Airport Runway Rehabilitation, P.2022/90

## *LEGISLATIVE BUSINESS*

### *Legislation laid before the States*

Long-term Care Insurance (Guernsey) (Entitlement to Benefit) Ordinance,  
2022

The Wastewater Charges (Guernsey) Regulations, 2022

The Water Charges (Amendment) Regulations, 2022

Waste Disposal and Recovery Charges Regulations, 2022

The Waste Management Services (Charging) Regulations 2022 (No. 2)  
Regulations, 2022

The Airport Fees (Guernsey and Alderney) Regulations, 2022

The Harbour Dues and Facilities Charges (Guernsey) Regulations, 2022

**CONTINUED OVERLEAF**

The Mooring Charges (Guernsey) Regulations, 2022  
The Pilotage Dues (Guernsey) Regulations, 2022  
The Economic and Financial Crime Bureau and Financial Intelligence Unit (Amendment) Regulations, 2022  
The Forfeiture of Money etc in Civil Proceedings (Designation of Countries) (Bailiwick of Guernsey) Regulations, 2022

*Legislation for Approval*

4. Policy & Resources Committee - The Income Tax (Guernsey) (Amendment) (No. 3) Ordinance, 2022, P.2022/102
5. Committee *for* Employment & Social Security - The Family Allowances Ordinance, 2022, P.2022/103
6. Committee *for* Employment & Social Security - The Severe Disability Benefit and Carer's Allowance (Amendment) Ordinance, 2022, P.2022/104
7. Committee *for* Employment & Social Security - The Income Support (Implementation) (Amendment) (No. 2) Ordinance, 2022, P.2022/105

*OTHER BUSINESS*

8. Development & Planning Authority - Proposals for Provisions to Address Land Which is Affecting the Amenity of an Area, P.2022/100
9. Committee *for* Home Affairs - Independent Monitoring Panel - Resignation of Member, P.2022/106
10. States' Trading Supervisory Board - Guernsey Post Limited - Annual Report and Accounts, P.2022/107
11. Policy & Resources Committee - Schedule for future States' business, P.2022/108

# BILLET D'ÉTAT

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## TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

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I hereby give notice that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY the 14<sup>th</sup> DECEMBER, 2022 at 9.30 a.m.**, to consider the items listed in this Billet d'État which have been submitted for debate.

J. E. ROLAND  
Deputy Bailiff and Presiding Officer

The Royal Court House  
Guernsey

29<sup>th</sup> November, 2022

## ***APPOINTMENT LAID BEFORE THE STATES OF DELIBERATION***

### ***BY THE COMMITTEE FOR ECONOMIC DEVELOPMENT***

#### **APPOINTMENT OF CHAIRMAN OF THE OFFICE OF THE FINANCIAL SERVICES OMBUDSMAN**

In accordance with paragraph 2(2) of Schedule 1 to the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014, the following appointment, by the Committee *for* Economic Development, to the Office of the Financial Services Ombudsman, is laid before the States of Deliberation:-

- Mr. Antony John Townsend as Chairman with effect from 31<sup>st</sup> January 2023.

Mr. Townsend has been appointed as Chairman until 30<sup>th</sup> January 2026.

The States of Deliberation have the power to annul the appointment.

The Committee *for* Economic Development has concluded that Mr. Townsend is suitable to be Chairman of the Office of the Financial Services Ombudsman.

A summarised version of the curriculum vitae of Mr. Townsend is provided below.

#### **Mr. Antony Townsend**

	<b>Position/company:</b>	<b>Dates:</b>
<b>Career:</b>	Independent Investigator, House of Commons.	2020-to date
	Financial Regulators Complaints Commissioner.	2014-2020
	First Chief Executive, Solicitors Regulation Authority.	2006-2014
	Chief Executive of General Dental Council.	2001-2006
	Director of Education and Standards (and previously	1991-2001
	Head of Health, Head of Conduct, and Head of	
	Standards), General Medical Council.	
	Grade 7 (and previously HEO(D) and Administration	1980-1990
	Trainee), Home Office.	
<b>Education:</b>	BA, English Language and Literature, Oxford University.	1976-1979
<b>Current/recent Non-Executive Directorships</b>	Ordinary Member, Office of the Financial Services	2022-to date
	Ombudsman.	
	Deputy Board Chair and Chair of Scrutiny Committee,	2015-to date
	the Professional Standards Authority for Health and	
	Social Care.	
	Chair, Determinations Panel of the Pensions	2021-to date
	Regulator.	
	Chair, SME Liaison Panel, Business Banking	2021-to date



	Resolution Service.	
	Chair, Independent Review Panel, NHS England.	2020-to date
	Chair, Strategic Advisory Board, Bar Tribunals and Adjudication Service, Council of the Inns of Court.	2020-to date
	Member, Determinations Panel of the Pensions Regulator.	2018-2021
	Member, UK and Ireland Regulatory Board of the Royal Institute of Chartered Surveyors.	2015-2020
	Chair, UK and Ireland Regulatory Board of the Royal Institute of Chartered Surveyors.	2013-2020
	Chair, Regulations Board of Association of Chartered Certified Accountants.	2013-2019
<b>Voluntary work:</b>	Director, Ombudsman Association.	2018-2020
	Member, Board of Trustees, South Warwickshire Citizens Advice.	2014-to date

**APPOINTMENT LAID BEFORE THE STATES OF DELIBERATION**

**BY THE COMMITTEE FOR ECONOMIC DEVELOPMENT**

**APPOINTMENT OF AN ORDINARY MEMBER OF THE OFFICE OF THE  
FINANCIAL SERVICES OMBUDSMAN**

In accordance with paragraph 1(2) of Schedule 1 to the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014, the following appointment, by the Committee *for* Economic Development, to the Office of the Financial Services Ombudsman, is laid before the States of Deliberation:-

- Ms. Jennifer Carnegie as an ordinary member with effect from 31<sup>st</sup> January 2023.

Ms. Carnegie has been appointed as an ordinary member until 30<sup>th</sup> January 2027.

The States of Deliberation have the power to annul the appointment.

The Committee *for* Economic Development has concluded that Ms. Carnegie is suitable to be an ordinary member of the Office of the Financial Services Ombudsman.

A summarised version of the curriculum vitae of Ms. Carnegie is provided below.

Ms. Jennifer Carnegie

	<b>Position/company:</b>	<b>Dates:</b>
<b>Career:</b>	Director & Chief Operating Officer, Amicus Limited, Jersey & London.	2017-to date
	Chief People Officer, Digicel Caribbean and Central America, Jamaica.	2015-2017
	Co-Founder of Amicus Limited.	2014-2015
	Career Break to raise a family whilst living in Bermuda.	2011-2014
	Global Director of Mars University, Mars, Incorporated.	2006-2011
	European Training & Development Manager, Supply and R&D, Mars, Incorporated.	2003-2005
	Dry Pet Food Industrial Engineer, Mars, Incorporated Germany.	2000-2003
	Shift Manager, Wet Pet Food Manufacturing Plant, Mars, Incorporated UK.	1997-2000
	Various roles as NVQ Advisor and IIP Assessor.	1993-1997
<b>Education:</b>	IoD Diploma & Certificate in Company Direction.	2019
	BA (Hons) Business Studies, Abertay University.	1988-1992
<b>Current/recent</b>	Chair of the Board, Jersey Business Limited.	2021-to date

<b>Non-Executive Directorships</b>	Non-Executive Director (co-opted), Channel Islands Co-operative Society (Chair of the Recruitment & Remuneration Committee).	2018-to date
	President, Jersey Chamber of Commerce.	2019-2022
	Appointments Commissioner.	2015-2021

**APPOINTMENT LAID BEFORE THE STATES OF DELIBERATION**

**BY THE COMMITTEE FOR ECONOMIC DEVELOPMENT**

**APPOINTMENT OF AN ORDINARY MEMBER OF THE OFFICE OF THE  
FINANCIAL SERVICES OMBUDSMAN**

In accordance with paragraph 1(2) of Schedule 1 to the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014, the following appointment, by the Committee *for* Economic Development, to the Office of the Financial Services Ombudsman, is laid before the States of Deliberation:-

- Ms. Hayley Vanessa North as an ordinary member with effect from 31<sup>st</sup> January 2023.

Ms. North has been appointed as an ordinary member until 30<sup>th</sup> January 2028.

The States of Deliberation have the power to annul the appointment.

The Committee *for* Economic Development has concluded that Ms. North is suitable to be an ordinary member of the Office of the Financial Services Ombudsman.

A summarised version of the curriculum vitae of Ms. North is provided below.

Ms. Hayley North

	<b>Position/company:</b>	<b>Dates:</b>
<b>Career:</b>	Managing Director & Chartered Financial Planner, Rose & North Limited.	2012-to date
	Managing Director & IFA, Wellers Wealth Management Limited.	2010-2012
	Managing Director & IFA, North Financial Limited.	2008-2012
	Alternative Investment Adviser, Alvine Capital Management Limited.	2007-2008
	US Equity Sales – London & New York, Bank of America.	2005-2007
	Relationship Director (Corporate) – London & Paris, Barclays Bank Plc.	2000-2005
	Project Manager (London/Paris), Capital One.	1999-2000
<b>Education:</b>	Trainee Auditor, Andersen.	1998-1999
	MA & BA (Hons) Modern Languages (French & German) and Social & Political Science 2:1, University of Cambridge.	1994-1998
	A-Level Mathematics, French, German (All Grade A), Bradford Grammar School.	1992-1994
	9 GCSE's (All Grade A), Guiseley School.	1990-1992

<b>Professional Memberships/Qualifications:</b>	Fellow of Personal Finance Society.	2013
	Chartered Financial Planner – Advanced Diploma in Financial Planning.	2012
	Diploma in Marketing (Chartered Institute of Marketing).	2000
<b>Current/recent Non-Executive Directorships</b>	Member of Advisory Group to IA Sectors Committee, Investment Association.	2019-to date
	Patient Advocate & Founder, CDKN2A & Me.	2019-to date
	Member of Personal Finance Society's London Branch Committee.	2017-2020

**ELECTION OF A MEMBER OF THE  
COMMITTEE *FOR* EDUCATION SPORT & CULTURE**

The States are asked:

To elect a sitting Member of the States as a member of the Committee *for* Education Sport & Culture in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees to complete the unexpired term of office that is to the 30th June 2025, of Deputy R.C. Murray who has been deemed to have resigned from the Committee under the terms of Rule 39.

(N.B.

1. Pursuant to the Constitution of the Committee *for* Education Sport & Culture shall not be the President or a member of the Policy & Resources Committee nor the President of the Scrutiny Management Committee.)

**ELECTION OF MEMBERS OF THE  
DEVELOPMENT & PLANNING AUTHORITY**

The States are asked:

To elect two sitting Members of the States as members of the Development & Planning Authority in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees to complete the unexpired terms of office, that is to the 30<sup>th</sup> June 2025, of Deputy A Taylor, who has resigned from that office, and whose notice of resignation is appended hereto and that of Deputy R.C Murray who has been deemed to have resigned from the Authority under the terms of Rule 39.

(N.B.

1. Pursuant to the Constitution of the Development & Planning Authority shall not be the President or a member of the Policy & Resources Committee or the President or a member of the Committee *for the* Environment & Infrastructure)

Deputy Andrew Taylor

La Pomare Farm

Rue de la Pomare

St Peters

Richard McMahon

The Bailiff's Chambers

Royal Court House

St Peter Port

16<sup>th</sup> November 2022

Dear Richard,

**REFERENCE: Resignation from Development & Planning Authority**

Please accept this letter of resignation from The Development & Planning Authority, in accordance with Rule 37 (5).

Kind regards,

Deputy A Taylor



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

**POLICY & RESOURCES COMMITTEE AND  
THE STATES' TRADING SUPERVISORY BOARD**

**ALDERNEY AIRPORT RUNWAY REHABILITATION**

The States are asked to decide: -

Whether, after consideration of the Policy Letter entitled 'Alderney Airport Runway Rehabilitation' of the Policy & Resources Committee and the States' Trading Supervisory Board, they are of the opinion:-

1. To agree Option C+ optimises public value in Alderney Airport by way of restoration of the existing pavement surfaces of the runway, including its re-widening and extension, and the redevelopment of the terminal building and other building alterations to secure improvements to enhance service provision; and therefore to replace the previously agreed proposal with this Option C+ scheme in the Government Work Plan.
2. To direct the Policy & Resources Committee on behalf of the States of Guernsey to negotiate with the Policy & Finance Committee of the States of Alderney in order to update the operational relationship and secure capital funding for the Option C+ scheme to redevelop Alderney Airport and runway; and if a reasonable and robust agreement cannot be reached, to direct that the Policy & Resources Committee reverts to the States of Guernsey for further consideration of options to secure funding for Option C+.

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

**POLICY & RESOURCES COMMITTEE AND  
THE STATES' TRADING SUPERVISORY BOARD**

**ALDERNEY AIRPORT RUNWAY REHABILITATION**

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

3<sup>rd</sup> October, 2022

Dear Sir

**1 Executive Summary**

- 1.1 The rehabilitation of Alderney Airport's runway is a critically important investment in Guernsey and Alderney's future. The runway provides an essential social and economic lifeline for the community of Alderney. This has been recognised through a number of previous Resolutions of the States of Deliberation, including in 2019 a commitment to invest in a major rehabilitation of the existing pavements<sup>1</sup>. That investment was further endorsed through the Government Work Plan in July 2021 when it was categorised as a 'Must Do' project. In addition, the Guernsey to Alderney route has been designated as a lifeline, essential for social and economic well-being in Alderney.
- 1.2 This vital connectivity is a Bailiwick issue. The States of Guernsey are required to provide critical infrastructure as a "Transferred Service" in accordance with the Alderney (Application of Legislation) Law, 1948. Alderney Airport is operated by Guernsey Airport and provides year-round lifeline services.
- 1.3 This Policy Letter provides an update on the project and recommends a change to the preferred option for the runway rehabilitation. This change has proven necessary given additional information and changes in circumstances since the debate (detailed in paragraph 2.2) and has been evidenced through revisiting the original long list and short-listed options. The recommendation has been subject to substantial additional consultation and appraisal.

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<sup>1</sup> Billet d'État I of 2019, Article II – Alderney Airport Runway Rehabilitation

- 1.4 The condition of the runway at Alderney Airport continues to deteriorate because the existing pavement has exceeded its operational life. Regular engineering inspections evidence a continued decline and substantive patch repairs continue to be undertaken. These treatments only serve to mitigate the immediate problems and to slow down further significant deterioration. Whilst they provide short term solutions, the reconstruction project is vital to avoid ongoing and escalating maintenance costs and operational risks.
- 1.5 This Policy Letter sets out the rationale for the revised recommended solution (Option C+), to both restore and extend the existing pavements, and to provide additional facilities and improvements to some of the existing buildings on site. It also describes why this is considered to be the best option, calculated through whole life cost and demonstrating the best value for money. In addition, it highlights the key findings from a revised Outline Business Case (OBC), which was substantially updated in early 2022.
- 1.6 The proposed redevelopment will address the condition of the current infrastructure ensuring it meets the international aviation regulatory requirements and is fit for purpose for the next 15-20 years. It will also provide greater resilience and more versatile infrastructure through a short extension and strengthening of the existing runway to accommodate larger aircraft, with the provision of a new terminal building and refurbishment of the existing airport fire station. Such provisions are anticipated to result in cost savings in the current Public Service Obligation (PSO) contract that the States of Guernsey have put in place, subject to the issues set out in section 7, leading to an anticipated overall reduction in the revenue cost of providing Alderney's lifeline air services.
- 1.7 This investment represents a significant capital outlay, which reflects extensive reliance on night working (to maintain runway access during the day) and the logistical challenges associated with working at an operational airfield in an island. The estimated cost for this preferred option at this stage of the project has been identified within the OBC at circa £24.1m. Whilst this cost estimate includes appropriate contingencies and is based on a reasonable set of assumptions, it remains an estimate until the essential stages of final design and procurement are completed.
- 1.8 Detailed financial analysis has involved input from the current PSO air route provider, Aurigny Air Services Ltd (Aurigny), regarding its current and predicted operating costs, as well as input from specialist aviation pavement design engineers. The information provided by Aurigny indicates the additional costs associated with a runway extension as proposed within Option C+, compared to refurbishment of the current length, can be partly offset by a reduction in the PSO subsidy that Aurigny receives. This would be as a result of a consolidation of its fleet on a common, larger aircraft type. Such are the potential advantages of a runway extension, the option has now been revisited and is considered by the

States' Trading Supervisory Board and Policy & Resources Committee as the option that should be tendered subject to an agreed funding package with the States of Alderney.

- 1.9 Project and financial assurance have been carried out at the Strategic Outline Case (SOC) and OBC stages. A number of financial risks to the project remain and more detailed work is required to firm up on some of the associated costs. The Policy & Resources Committee will monitor the development of costs and benefits closely to ensure that Option C+ continues to deliver the best overall value and will not use its delegated authority to approve any expenditure should it suspect this no longer to be the case.

## **2 Introduction**

- 2.1 In January 2019, the States resolved<sup>2</sup>:

- i. To approve Option 3 as the 'preferred option', to restore the existing pavement surfaces to provide a more lasting life for the runway, including re-widening and other improvements, as the option which optimises public value, following a detailed appraisal, as set out in the Policy Letter.
- ii. To approve an increase of a maximum of £460,000 in the existing capital vote for the Alderney Airport Project funded from the Capital Reserve, to fund all necessary steps for the development of the design stage and proposals for the procurement of Option 3.
- iii. Subject to the Policy & Resources Committee's approval of the Final Business Case, to direct that Committee to increase the existing capital vote for the Alderney Airport Project, funded from the Capital Reserve, to a maximum of £12.2 million to fund the construction of the runway pavement rehabilitation scheme, in accordance with Option 3, including the design stage, professional fees and contingencies.
- iv. To rescind Resolutions of the States at Article 6, Billet XXVI of 10<sup>th</sup> December, 2014, 4(b) and 4(e) in relation to the potential proposals to hard surface the grass runways at 14/32 and 03/21.

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<sup>2</sup> Billet d'État I of 2019, Article II – Alderney Airport Runway Rehabilitation

2.2 A number of significant events and changes have necessitated a thorough project review and substantial revisions of the original OBC for this project as follows:

- A global pandemic which has completely rewritten all previous economic and financial analysis and modelling and changed passenger behaviour;
- Further detail on the operating costs of the Dornier aircraft which are currently operating to and from Alderney that identifies cost saving opportunities for delivering air connectivity to Alderney by switching to payload restricted ATR 72-600 aircraft (introduced since the original OBC);
- The impacts of the global pandemic on aircraft manufacturers have led to some medium-term uncertainty over the ongoing production and support of the Dornier 228 NG aircraft type. Therefore, there are potential risks in relation to the longer-term viability of that fleet in terms of supply and maintenance, specifically replacement parts;
- Confirmation of a five-year PSO agreement with Aurigny as the supplier of air services to and from Alderney, which offers greater certainty over the ongoing level of subsidy required to provide that service and capacity commitment on the route. It is also worth noting that a wider market test for alternative providers of such services, as part of two separate open PSO tender processes, failed to secure any alternative viable operators from the current airport;
- Further challenges over time in the provision of medevac cover including through the PSO contract, which supports the case for a longer runway from which specialist medevac operators can operate and which currently are unable to use the existing runway length;
- The introduction of a new International Civil Aviation Organisation (ICAO) Global Reporting Format for runway surface conditions (GRF), effective from 4<sup>th</sup> November 2021, with the primary objective to mitigate the risk of runway excursions by enabling a harmonised assessment and reporting of runway surface conditions and an improved flight crew assessment of take-off and landing performance. This has led to an increase in the number of days per annum when the runway is declared 'wet' due to the removal of the 'damp' classification. The end result of this change is more aircraft restrictions in poor weather; and
- A review of previous technical advice in 2018 which concluded that a less expensive runway extension to the west was not viable. Extensive engagement with Guernsey Ports' current specialist advisors, Aurigny and the regulators have demonstrated that this is both viable and less costly than had been previously estimated.

- 2.3 As a result of the above information, further work has been undertaken to reassess all options previously considered by the States of Deliberation, and as a result, a revised preferred option is now proposed.

### **3 Current Situation**

- 3.1 Alderney Airport has three runways: one paved runway and two grass runways. Following improvements to the grass runways, it is the paved areas that are now the focus for this project.
- 3.2 The asphalt runway was last resurfaced in 1999 with a surfacing which has a design life of between 12 and 15 years. A major patch and repair were undertaken on the eastern end of the runway in Autumn 2016, to provide a short-term improvement. As bitumen ages, the surfacing becomes brittle and is then prone to loss of stone particles. If left untreated, potholes occur because of weather and traffic. Deterioration to that extent would be in contravention of regulatory requirements and would lead to unpredictable losses of service to the community and the airlines. This reduction in services would be required to decrease the risks of aviation incidents or accidents.
- 3.3 Following several harsh winters, the pavements experienced an increased rate of deterioration, with more loss of aggregate from the surface of the runway. Following detailed inspection and specialist advice, an asphalt stabiliser was applied in September 2018. This provided improved binding and waterproofing properties to the existing surface. While this treatment arrested immediate deterioration of the pavement, it did not improve the underlying strength and over time that surface treatment has worn off, and more intrusive patch repairs are now required to maintain a safe operating pavement.
- 3.4 The condition of the existing paved runway (which is designated 08/26), taxiway and apron are now deteriorating to the extent where ongoing patch repairing will neither provide an acceptable surface for safe operation of aircraft, nor be economical over the medium term. Significant runway and taxiway patch repairs have been undertaken at Alderney Airport in summer 2021 and again in summer 2022.
- 3.5 Alderney Airport currently benefits from a variation in respect of its full application of Aviation Security requirements, as determined by the UK Department for Transport. This body is responsible for setting Aviation Security requirements across airports in the United Kingdom and the Crown Dependencies. The existing variation applies to generally smaller airfields in the UK used by commercial air transport that meet seat capacity and aircraft length criteria. The current variation could be amended or withdrawn at short notice because of events or incidents at other airports that currently benefit from this same arrangement. At that point, an immediate and significant change to aviation security arrangements would be triggered at Alderney Airport, involving significant investment in equipment and

personnel.

- 3.6 Despite being well maintained and upgraded where possible over time, the current terminal and fire station at Alderney Airport need significant improvement or replacement. Irrespective of which runway rehabilitation option is selected, for reasons stated in paragraphs 3.7 to 3.11, a substantial investment in those buildings will be required within a five-year timeframe.
- 3.7 The current airport terminal was constructed in 1968. It is a wooden structure and has no insulation. Whilst it has coped well with many changes over the last 50+ years in the way air passengers are needed to be security screened, it has become increasingly unsuitable. A lack of insulation results in high summer temperatures within the building. In winter, the lack of insulation leads to excessive heating costs. When poor weather causes flight delays there is little or no waiting room. Additionally, the arrivals hall is cramped and provides poor facilities for baggage claim, customs checks and interviews. The security area is small. Departing passengers are required to queue between café tables before entering the search area. Once security cleared, the passengers must wait to be called for boarding from a constricted and open-air waiting area, with no refreshment or toilet facilities. The only shelter from inclement weather is a small portacabin which houses the pre-flight safety video.
- 3.8 In addition, the existing terminal and its services have been heavily criticised by various organisations for not meeting expected levels of service for passengers with reduced levels of mobility or other disabilities. There are no disabled toilet facilities, and doorways are narrow so restricting wheelchair use. The access to and from the main aircraft apron involves a flight of steps both for arriving and departing passengers.
- 3.9 The existing terminal building was designed to support the operations of one airline. In recent years several other airlines have operated, or expressed a desire to operate, alongside the incumbent carrier. The limited floorspace available has meant the current building has been unable to accommodate many of the facilities that a second operator would reasonably demand. This restriction is hampering business development, both for the current operator and any additional providers.
- 3.10 The current airport fire station was constructed in 1968. It is a single block construction with asbestos roof cladding. Despite being subject to annual safety inspections by a competent agent, there remains a risk that the roofing product has been made brittle by age and is more likely to be prone to damage. The unsuitability of this type of roofing is heightened as the roof supports, made of the same asbestos cement product, make attempts to install extractor units to deal with exhaust fumes from the fire vehicles quite challenging. The appliance bay provides workshop facilities which enable the firefighters to undertake maintenance and repairs on site. The building and its crew accommodation are

very small, with the most recent appliances having to be adapted to fit within the station. The existing station has no insulation and does not provide a sufficient standard of accommodation for staff in winter or summer. It comprises three small rooms totalling 23m<sup>2</sup>, which created specific challenges in implementing social distancing recommendations during the pandemic.

- 3.11 Given the current condition of the buildings, the whole-life costs of such requirements have been reflected in all options but would only be advanced specifically within a short timeframe under Option C+, for reasons outlined under paragraph 5.19.

#### **4 Context**

- 4.1 The States of Guernsey have an obligation under the Alderney (Application of Legislation) Law, 1948, to provide, amongst other services, an airfield for Alderney. These services are known as the “Transferred Services”. In exchange for these services, Alderney residents pay Bailiwick tax.
- 4.2 The States’ Trading Supervisory Board (STSB) is responsible politically for discharging the obligation to provide and maintain an airfield for Alderney and is funded accordingly. The day-to-day operational management for Alderney Airport is provided by Guernsey Airport, which levies a cross-charge for these services, funded through General Revenue as part of the annual operating losses.
- 4.3 The Alderney Airport Pavements Project was identified within the Government Work Plan – Stage 1 (approved March 21) as a priority project. Stage 2 of the Government Work Plan (approved July 2021) confirmed this specific project under the ‘Must Do’ category to maintain essential infrastructure and systems and it remains a priority in the latest Government Work Plan (July 2022).
- 4.4 Aerodrome pavement design is highly prescriptive and based upon international civil aviation regulatory requirements. The proposed pavement designs are required to conform to these standards and are endorsed by the Office of the Director of Civil Aviation (Channel Islands) which is involved in the formal design review process.

#### **5 Review of Proposed Options for Alderney Airport Runway Rehabilitation**

- 5.1 All the identified project options have been assessed against the Investment Objectives in Table 1. These were developed from the investment objectives set out in the original SOC, and follow consultation with key stakeholders during 2021, to revalidate and update it where necessary.



Table 1: Investment Objectives

<b>Investment objective 1:</b>	To fully refurbish, strengthen, lengthen and widen the 08/26 asphalt runway, realign and resurface the bravo taxiway and resurface and reconfigure the apron to provide a long-term sustainable, reliable and safe paved surfaced for the operation of Code C <sup>3</sup> aircraft.
<b>Investment objective 2:</b>	To ensure that any works achieve an appropriate level of compliance with current aerodrome regulatory standards. This will be achieved by following the UK Civil Aviation Authority's (CAA) regulatory approval process <sup>4</sup> where the preferred design and project delivery phases will be assessed in consultation with Guernsey Ports and the Office of the Director of Civil Aviation (Channel Islands) (ODCA).
<b>Investment objective 3:</b>	To ensure that works consider the likely passenger and aircraft demands for the next 15 years in accordance with the structural requirements <sup>5</sup> based on status quo accepting there is already capacity for significant additional aircraft movements (commercial, business and private).

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<sup>3</sup>The ICAO Aerodrome Reference Code is a two-part categorization which simplifies the process of establishing whether a particular aircraft can use a particular aerodrome. The first part of the code is a numeric, based on the aerodrome's runway length, the second part of the code is a letter based on a combination of aircraft wingspan and main gear wheel span. By way of example, Alderney's existing runway length is only able to accept Code B aircraft (or smaller), and with a runway extension it would then be able to attract Code C aircraft, or smaller. The ATR72 is a Code C aircraft.

<sup>4</sup> Civil Aviation Publication (CAP) 791

<sup>5</sup> ICAO Design and Maintenance Guide 27 section 4.7.2

<b>Investment objective 4:</b>	To ensure that the works consider the design requirements and costs for the potential provision of full aviation security screening of passengers and baggage in Alderney. The use of an ATR 72-600 would negate an existing dispensation which applies to the current Dornier 228 aircraft and, therefore, would trigger the need for additional capital and operating costs. It is also worth noting that the current aviation security dispensation cannot be guaranteed to continue indefinitely regardless of the aircraft type operating in Alderney and some upgrade may be required at any time. Any design should take into account this need for future enhanced security provision.
<b>Investment objective 5:</b>	To provide opportunity to future-proof further phased development at a later stage including the construction of a new terminal and refurbishment of the fire station. It should be noted that both the current buildings are at, if not beyond, their end of useful life and, therefore, the redevelopment of both would be required regardless of any decision on runway length.
<b>Investment objective 6:</b>	To enable a reduction in the cost of the Alderney PSO agreement, in the hands of the States of Guernsey, by removing the need for specialist aircraft currently required to operate to/from Alderney due to the current short, runway length.
<b>Investment objective 7:</b>	To provide benefit to the Alderney community in the form of a less bespoke air transportation solution that accommodates a wider array of aircraft types, along with increased seat capacity and a better ability to cater for seasonal peak demand periods.
<b>Investment objective 8:</b>	To allow fleet simplification within Aurigny through the removal of the Dornier 228 NG fleet, which, in addition to the financial benefits accruing to the States of Guernsey consequent to a reduction to PSO cost, presents a further operational and financial benefit to Aurigny outside of the Alderney operations, ultimately to the benefit of Aurigny's shareholder.

### **Review and Appraisal of the Long List of Options**

- 5.2 At the SOC stage, a long list of potential refurbishment options (see Table 2) were identified and, following evaluation, a short list of options was carried forward. Ultimately the preferred option was identified as Option 3 which was subsequently approved by the States in 2019.

Table 2: Long List Options as debated in 2019 (<sup>1</sup> [Billet d'État I of 2019, Article II – Alderney Airport Runway Rehabilitation](#))

Options for Scoping		Finding	Shortlisted - ✓ Rejected - X
0	Do nothing	Incompatible with the requirement to retain the airport as an essential lifeline link for Alderney.	X
1	Do Minimal: widen runway to 23m	In the medium term (five years) this is incompatible with requirement to retain essential lifeline link for Alderney. No support at workshops.	✓
2	Basic resurfacing: no improvement to airfield ground lighting (AGL)	Meets full requirements for pavement rehabilitation but AGL is also aged and in need of replacement. Little support at workshops.	X
3	Basic resurfacing plus enhancements, including lighting.	Meets full requirements for pavement and AGL rehabilitation. Runway centreline included to reduce the number of go arounds due to missed approaches. Incorporates positive drainage to protect two grass runways. Good support from all parties.	✓
4	Option 3 + Pave the grass Crosswind Runway 03/21	As Option 3, plus a short, paved runway for wind conditions that prevent use of Runway 08-26. Other than a few General Aviation (private) pilots, there was limited support, probably because there are very few occasions when it would be used by commercial aircraft.	X
5	Extend the existing Runway to 1100m (Single phase extension)	Meets full requirements for pavement and AGL rehabilitation, increases runway length to 1100m, width to 30m, and strength to allow 42-50 seat aircraft to operate. Runway centreline lighting included to reduce the number of missed approaches. Positive drainage incorporated to protect the two grass runways. Improvements to terminal needed for this option.	✓
6	Option 3 with more significant improvement to enable extension to 1100m at a later stage (Two-phase extension)	A phased approach that provides the full benefits of option 3 in phase 1 and option 5 in phase 2. Phase 2 is generated by the demand from commercial airlines to use 42-50 seater aircraft on a regular timetable, should these demand conditions be in place. Improvements to terminal needed for this option. A high level of support other than from States of Alderney.	✓

## Evaluating the Short List of Options

- 5.3 The long list, as detailed in Table 2, has been revisited as part of the most recent review of the OBC. This considered the revised set of Investment Objectives (see Table 1), additional technical and financial information and the wider project influences as described in paragraph 2.2. Option A in Table 3 below is the baseline equivalent to the currently approved Option 3.

Table 3: Current Shortlisted Options

Options for Scoping	Description	Notes
<b>Option 0:</b> Do nothing	Continued degradation of current paved surfaces resulting in an increase in operational disruption, risk to aircraft safety and levels of reactive maintenance.	Incompatible with the requirement to retain the airport as an essential lifeline link and long-term sustainable infrastructure for Alderney. <b>This option was not taken forward to costing.</b>
<b>Option A:</b> Basic refurbishment including airfield ground lighting	Minimum works required to support ongoing Code B aircraft operations including Dornier 228 and Britten Norman Islander with some safeguarding for a future extension where there is little or no impact on cost.	Option 3 as described in the long-list and the preferred option approved in 2019.
<b>Option B:</b> Basic refurbishment plus safeguarding for larger aircraft	Additional work from the baseline of Option A to include thicker pavement construction and minor amendments to taxiway alignments and apron extents to safeguard for future Code C aircraft (e.g. ATR 72).	Potential low-cost safeguarding option that extends pavement life and reduces

		future costs associated with improvements for Code C aircraft.
<b>Option C:</b> Runway extension to facilitate larger aircraft operations (Intermediate Scope Project)	Extended runway to the west, realignment of bravo taxiway, reconfiguration of apron and all associated pavement works required to support Code C aircraft (e.g. ATR 72) operations. Security arrangements to be enhanced to meet minimum aviation security regulatory requirements through the provision of a modular building.	Aurigny could remove Dornier 228 aircraft and project substantial, subsequent savings that can be offset against the additional costs associated with this option by the reduction in the annual PSO subsidy. Specialist and dedicated medevac aircraft will be able to operate at the airport
<b>Option C +:</b> As per Option C but includes the construction of a new airport terminal building and refurbishment of the fire station building	No requirements for a dedicated modular building for aviation security. Aviation security processing will be encompassed within the new terminal building.	Ensures end of life terminal and fire station buildings are fit for purpose and future proofed, and have the added benefit of managing Code C aircraft.

#### Advantages and disadvantages of each option

5.4 The main advantages and disadvantages of all options are captured in Table 4 which provides a summary of each scheme considered in the overall assessment.

Table 4: Advantages and disadvantages of each option

Option	Advantages	Disadvantages
0	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Incompatible with the requirement to retain the airport as an essential lifeline link for Alderney</li> </ul>
A	<ul style="list-style-type: none"> <li>• Lowest capital cost of Options A to C+</li> <li>• Reduced maintenance costs compared with existing situation</li> <li>• Does not extend beyond the current airport boundary</li> <li>• Lower risk planning approvals as traffic does not change significantly from existing and most 'development works' are associated with temporary construction-related activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited capacity for larger and/or heavier aircraft (e.g. Code C aircraft such as the ATR 72)</li> <li>• Very limited range of potential operators</li> <li>• Non-compliant and poor customer service for passengers with restricted mobility (PRM) in current fleet</li> <li>• Least safeguarding for future changes in aircraft type or use</li> <li>• Greatest numbers of displaced passengers due to weight restrictions</li> <li>• Continued non-compliance with minimum aviation security regulatory requirements (which could change at short notice)</li> <li>• Dedicated, specialist medevac aircraft continue to be unable to use the airport</li> <li>• Continued concern regarding the financial and operational status of smaller aircraft</li> </ul>

		manufacturers post pandemic
B	<ul style="list-style-type: none"> <li>• Marginal increase in capital cost when compared with Option A</li> <li>• Reduced maintenance costs compared with existing situation</li> <li>• Improved safeguarding for future changes in aircraft type or use when compared with Option A</li> <li>• Does not extend beyond the current airport boundary</li> <li>• Lower risk planning approvals as traffic does not change significantly from existing and most 'development works' are associated with temporary construction-related activity.</li> </ul>	<ul style="list-style-type: none"> <li>• Marginally increased capacity for larger and/or heavier aircraft than Option A</li> <li>• Limited range of potential operators</li> <li>• Poor service for Passengers with Restricted Mobility (PRM) in current fleet</li> <li>• Greatest numbers of displaced passengers due to weight restrictions</li> <li>• Dedicated, specialist medevac aircraft continue to be unable to use the airport</li> <li>• Continued concern regarding the financial and operational status of smaller aircraft manufacturers post pandemic</li> </ul>
C	<ul style="list-style-type: none"> <li>• Increased capacity for larger and/or heavier aircraft than either Options A or B</li> <li>• Improved range of potential operators</li> <li>• Improved service for Passengers with Restricted Mobility (PRM) in Aurigny's proposed fleet</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in capital cost compared with Options A &amp; B</li> <li>• Increased area of pavement to maintain compared with Options A &amp; B</li> <li>• Extends the airport boundary</li> <li>• Increased planning and programme risk as</li> </ul>

	<ul style="list-style-type: none"> <li>• Reduced numbers of displaced passengers due to weight restrictions</li> <li>• Meets minimum aviation regulatory security requirements (which could change at any time with short notice)</li> <li>• Dedicated, specialist medevac aircraft can operate at the airport</li> </ul>	<p>changes are potentially more significant</p> <ul style="list-style-type: none"> <li>• Consequential impacts on fire fighting and terminal capacity as a result of larger aircraft</li> </ul>
C+	<ul style="list-style-type: none"> <li>• As per Option C but with additional capacity to handle passengers that larger aircraft might generate</li> <li>• New airport terminal and refurbished fire station buildings replacing current structures at end of life</li> <li>• Removes a requirement for a separate, modular structure dedicated to aviation security</li> </ul>	<ul style="list-style-type: none"> <li>• As per Option C but with consequent additional costs</li> <li>• Potential challenges associated with two major construction activities being scheduled within one project (ie civil works on pavements alongside construction activity on buildings)</li> </ul>

### Results of the shortlisting appraisal

- 5.5 Each of the above short-listed options, with the exception of Option 0 (do nothing) has been assessed against the investment objectives as outlined in Table 1 and subjected to a qualitative benefits assessment (see Table 5).



Table 5: Results of shortlisting appraisal

Investment objectives		Options assessment			
		A	B	C	C+
<b>Investment objective 1</b>	To maintain a fit for purpose airfield over the medium/long term to facilitate sustainable, commercial air transport operations				
<b>Investment objective 2</b>	To ensure that the project achieves an appropriate level of compliance with current and any foreseeable future aerodrome regulatory standards				
<b>Investment objective 3</b>	To ensure that the project takes into account the likely passenger, cargo and medevac requirements for the next 15 – 20 years				
<b>Investment objective 4</b>	To ensure the project takes into account design requirements for the potential future provision of full security at Alderney Airport				
<b>Investment objective 5</b>	To provide opportunity in the solution to future-proof further phased developments, particularly with the terminal and fire station buildings as part of a later development phase				
<b>Investment objective 6</b>	To enable a reduction in the cost of the Alderney PSO agreement				
<b>Investment objective 7</b>	To ensure that the preferred option is supported and provides benefit to key stakeholders including the Alderney Community.				
<b>Investment objective 8</b>	To allow fleet simplification to Aurigny with benefits accruing to the States of Guernsey as a result of reductions to PSO contract				
<b>Key:</b>					
	Does not comply/ Minimal compliance		Mainly compliant		Fully compliant

## **Cost Benefit Analysis**

- 5.6 The benefits associated with each option were identified as the Investment Objectives for the project (Table 1).
- 5.7 Rough Order of Magnitude (ROM) costs have been calculated for each shortlisted option by estimating the capital cost of the design and construction. Costs were assessed for direct comparison of all options. Previous estimates for the on-island costs have used UK construction rates increased by some form of 'island factor'. In the OBC this method has been replaced with individual island specific costs associated with each option. These estimates have been predominantly derived through:
- Visits to Alderney to review the existing infrastructure and its suitability for a major construction project.
  - Communication with on-island personnel working in planning, docking, construction and airport sectors.
  - Reference to similar projects particularly located in remote, more difficult to access locations.
- 5.8 Construction costs have been derived using industry standard pricing documents, manufacturers quotations and reference to other airport projects which have taken place in the last 5-10 years. Similar projects were used in part to price activities with reference to a suitable inflation figure.
- 5.9 Optimism biases have been removed through an evaluation of the on-island specific costs. Project preliminaries, professional fees and surveys have been priced individually for each option and are included below. A risk and contingency allowance has been made for each option which covers the remainder of the retained risks.
- 5.10 It should be noted that the estimates below relate to capex costs for works to the runway and associated pavements and consequential capital and operating cost variations as a result of larger Code C aircraft commencing operations upon completion of a runway extension to the west.
- 5.11 Option C and C+ have considered the introduction of minimum aviation security requirements and associated infrastructure. Both these requirements would be triggered through the use of larger aircraft, which would be feasible with the provision of a longer runway. The triggers for these requirements are outlined in more detail in Section 6.
- 5.12 In addition, Option C + has considered the provision of a new terminal building and the refurbishment of the current fire station building.

Table 6: Estimated 15-Year whole life costs for each of the shortlisted options

Element	Option A	Option B	Option C	Option C+
<b>1) Capital Expenditure</b> (Total project costs including; Construction Works, Preliminaries, Design, project management, professional fees and estimates for inflation; and where applicable costs for Land, new security buildings, and security equipment.) <sup>7</sup>				
<b>Sub-Total</b>	<b>£13,825,408</b>	<b>£15,124,860</b>	<b>£20,055,738</b>	<b>£24,016,034</b>
<b>2) Operating Expenditure over 15 years</b> (Total operating expenditure relating to planned pavement maintenance and where applicable the costs associated with required additional security provision) <sup>10</sup>				
<b>Sub-Total</b>	<b>£675,924</b>	<b>£675,924</b>	<b>£2,575,446</b>	<b>£2,575,446</b>
<b>3) PSO Considerations</b>				
15 Year PSO Reductions (SoG Benefit Cash Release)	0	0	(£11,460,000)	(£11,460,000)
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>(£11,460,000)</b>	<b>(£11,460,000)</b>
<b>Total Costs over 15 years</b>	<b>£14,501,332</b>	<b>£15,800,784</b>	<b>£11,171,184</b>	<b>£15,131,480</b>
<b>Ranking</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>3</b>

### Summary of Option Appraisal and Overall Conclusion

5.13 Table 6 shows the overall investment over 15 years, being the typical minimum life expectancy of the runway and paved surfaces. It is however worth noting, that if Options A, B or C are commissioned, there will be a basic requirement within this timeframe to replace both the terminal and fire station. Option C+ as captured in the table, provides that investment from the outset of this project.

5.14 To provide a fair comparison across all options, a provisional sum of £4.5m to be funded from other sources, has been included to illustrate the potential value or otherwise of Option C+. This is presented in Table 7.

<sup>9</sup> ROM costs are based on Jan 2022 pricing

<sup>10</sup> Additional Security Costs offset by increase in security levy to passengers

Table 7: Unavoidable associated future capital cost

<b>Unavoidable Associated Future Capital Cost (then added to total costs over 15 years from Table 6)</b>				
	<b>Option A</b>	<b>Option B</b>	<b>Option C</b>	<b>Option C+</b>
Provisional sum for existing Building Refurb or Replacement within 5 year timeframe due to dilapidation (triggered for Options A, B or C)	£4,500,000	£4,500,000	£4,500,000	0.00
<b>Potential Total Costs over 15 years</b>	<b>£19,001,332</b>	<b>£20,300,784</b>	<b>£15,671,184</b>	<b>£15,131,480</b>
<b>revised ranking</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>1</b>

5.15 Inclusion of this provisional sum changes the potential overall ranking, and evidences that Option C+ would provide the overall longer term cost benefit, taking into account the need for existing building refurbishment or replacement within the lifetime of the overall pavements project anticipated life with Options A, B and C.

5.16 The preferred option is **Option C+**. This will future-proof the paved asphalt runway, taxiway and apron at Alderney Airport, with a minimum runway length of 1,050m, strengthened to a Pavement Classification Number of 15 and widened from its current 18m to 23m. Operational enhancements including the installation of AGL centreline lighting, replacing the existing approach lights, upgrading the AGL system to LED light fittings and installation of a dedicated runway drainage system and outfall are also included in this option, along with the provision of a new terminal building and refurbishment of the existing airport fire station.

5.17 The tender process will seek an option to widen the runway from its current width of 18m to 30m, specifically for Option C or C+ (n.b. ROM costs in Table 6 for all options are based on 23m wide design). It is recognised that with a 23m width, the

runway will still be subject to crosswind limitations when the ATR 72 is scheduled to operate in winds in excess of 25 knots (dry runway) and 20 knots (wet runway). The ATR 72 will have the same crosswind limits as the Dornier 228 on a 23m wide runway which would apply for Option A or B. Met data would suggest this crosswind limitation could impact operations on an average of 24 days per annum (average data 2018 – 2021), for several hours of each day. The costs of reducing this potential crosswind impact will be tested at tender, but is not included in ROM costs, as this option is not expected to void all disruption typically experienced from crosswinds at Alderney Airport.

5.18 Aurigny has carried out substantial flight trials in Alderney with the ATR 72 600 and have received the full endorsement from the manufacturer ATR in relation to the operation of the aircraft in Alderney.

5.19 Option C+, in summary:

- Enables dedicated, specialist medevac aircraft operators to operate to Alderney (the current runway is too short);
- Assures sustainable commercial passenger and cargo operations for the longer term particularly noting continuing uncertainty with smaller aircraft manufacturers post pandemic;
- Future-proofs aviation security requirements by bringing Alderney in minimum compliance with EU and UK aviation security requirements (it is always foreseeable this could happen at short notice and potentially during the design life span of the new runway);
- Provides opportunity by using larger aircraft to increase route capacity over and above the PSO obligation levels (provisionally projected at approximately 20,000 passenger seats per annum), to support wider economic enablement and potential growth;
- Offers potentially substantial PSO savings per annum which could be offset against the capital costs of the project (see section 7);
- Allows for improvements in the reliability of the air-link because of reduced occasions when operations would be restricted by weather;
- Allows for the improvement to services from more comfortable, larger aircraft;
- Facilitates for improved customer experiences for passengers with reduced mobility and for medevac operations as it enables the use of industry standard equipment such as Aviramp (costs not included in the project scope);

- Aurigny ATR 72 600 aircraft are fitted with the latest EVS 2 technology which should result in less adverse weather disruption and delays resulting in an improved passenger experience and potential reduction in operating costs for the airline (this saving has not been quantified as a conservative approach has been adopted);
- Enables the airport, through increasing its passenger security levy, to recover the security expenditure associated with Option C+.
- Enables a much wider range of business and GA aircraft to use Alderney Airport potentially attracting new business and leisure users and visitors to the Island;
- Safety is improved through a series of operational advancements including additional AGL and runway markings and by addressing a number of known aerodrome deviations.
- Seeks from the outset the refurbishment of the fire station building and upgrade to the terminal facilities that will be required to service larger aircraft and greater passenger numbers on those aircraft. The estimate is based on the minimum facilities that would be required. Option C+ brings forward a much-needed investment in the existing buildings at Alderney Airport, which would be required within a five-year timeframe, and irrespective of which runway option was selected.

## **6 Full Security Provision**

- 6.1 The most significant operational costs in advancing Option C or C+, relate to the introduction of full security provision because of the operation of larger aircraft. Paragraph 3.5 outlines that Alderney Airport is currently exempted from full security provision, based on the smaller size aircraft and seating capacity typically able to operate from the current shorter runway length. This exemption would no longer apply with the use of larger aircraft and would trigger the need for full security provision. This comprises two elements, capital equipment provision (such as x-ray equipment, scanners etc) and additional labour to operate it. The capitalised aspects (equipment provision) are shown as investment requirements 'Capital Expenditure' heading and are unique to Option C and C+.
- 6.2 The requirement for more infrastructure, equipment and resources will necessitate a need for layout changes to the airport terminal to house the additional and larger equipment and to generate space for additional security checks and searches. In Option C, this additional accommodation is proposed to be delivered through the provision of a single storey, modular building which would be positioned in front of the current terminal building at least until, and for other reasons, the terminal is reconstructed. In Option C+, the need for a temporary building would be avoided, through provision of a new terminal from

the outset into which the requirements demanded by full aviation security requirements would be scoped.

- 6.3 The total current operating costs of security are traditionally recovered by a passenger security levy, which is currently £2.30 per head. The additional costs associated with labour and maintenance of the equipment (accepting the provision of that equipment is capitalised) would necessitate an increase in the passenger security levy to circa £3.50 per head based on near pre-COVID travel levels. This additional income stream, based on 50,000 passengers per annum is included in Table 6 under the 'Operating Expenditure over 15 years' heading.

## **7 Strategic Considerations**

### **Alderney Public Service Obligation (PSO)**

- 7.1 The States of Guernsey have entered into a contract with Aurigny to provide airlinks to and from Alderney under a PSO. The contract, which commenced on 1<sup>st</sup> January 2021 and has a duration of five years, includes scheduled passenger services between Alderney and Guernsey, and Alderney and Southampton, plus the provision of ad hoc medivac services using the same fleet of aircraft.
- 7.2 The contract is constructed and managed to deliver a service which requires a subsidy of £2m per annum and a sum which shall never exceed £2.5m per annum. Under the terms of the agreement, Aurigny does not make a profit from the services, and in turn, the States of Guernsey hold the cost and revenue risk. The parties work together to adjust the services and the commercial model in order to deliver the required subsidy level of £2m.
- 7.3 A runway extension in Alderney would enable Aurigny to operate the ATR72-600 series of aircraft in place of the current Dornier 228NG aircraft operating the routes. Given the additional capacity that the ATR72 offers over the Dornier 228NG this would inevitably lead to a reduction in the frequency of services between Alderney and Guernsey and this would need to be reflected in a change to the terms of the PSO arrangement. Likewise, Aurigny's own financial analysis suggests such a change would deliver a financial benefit of around £800,000 per annum and this would need to be reflected in a revised PSO agreement.
- 7.4 The current PSO requires that the parties work together to agree changes to the services in order to deliver the subsidy target as set out in the agreement. This can result in either increases or reductions to the frequency of services, or changes to the pricing model and prices, to either reduce costs or to maximise revenue and improve margins. One of the challenges to consider with a runway extension is the impact that this may have on the competitive environment. Currently, the short runway in Alderney acts as a natural barrier to competition as very few operators are able to fly into and out of Alderney given their fleet types. A longer runway, as envisaged, opens the market to much bigger aircraft and, in particular, to known

operators who also operate the ATR72. The consequence of a longer runway in Alderney could be that other operators wish to operate other routes and these then have the effect of reducing demand on the existing routes operated by Aurigny. Under the terms of the PSO, the parties' response to such reductions in demand would be to either reduce services further or to increase ticket prices to enable the target subsidy to be maintained. It is therefore considered that a supportive licensing regime in Alderney and Guernsey is necessary to ensure the PSO arrangement remains sustainable and is not undermined by the potential for other operators to serve routes which potentially compete for passengers currently using the Southampton or Guernsey routes to and from Alderney.

### **Relationship with the States of Alderney**

- 7.5 Since 1948, with the agreement of the States of Alderney, the States of Guernsey have exercised financial and administrative responsibility for the policy and operations of certain public services in Alderney, and applied certain taxes, duties and impôts on Alderney residents and businesses. These fiscal measures accrue to the States of Guernsey's general revenues. The Transferred Services supplied by Guernsey include: the airfield, immigration, policing, social services, secondary healthcare and education, amongst other things. This arrangement for the supply of Transferred Services and their oversight is referred to as the "1948 Agreement" and effectively puts Guernsey and Alderney in a fiscal union. Alderney is directly represented in the States of Deliberation by two elected Alderney representations to ensure that this constitutional arrangement has democratic control and scrutiny.
- 7.6 The outcome of the 1948 Agreement is set out in legislation made by the States of Alderney and States of Deliberation. The 1948 Agreement works in practice by the consent of the States of Guernsey and States of Alderney. This allows an evolution of the Transferred Services over time. While the definition of "airfield" is not provided in the legislation, it is self-evident that the concepts covered by the arrangement such as "airfield", "policing" and "healthcare" will have evolved in complexity from 1948 to 2022 as regulations, practice and expectations have changed. In the absence of any service level agreements between the States of Alderney and the States of Deliberation for these services, the standards need to be set at a level which is politically acceptable to both parties. The absence of any political agreement will inherently lead to discourse between the two jurisdictions. The relationship operates on the basis of mutual respect and understanding between Guernsey and Alderney.
- 7.7 There have been in-depth political conversations between representatives of the Policy & Resources Committee, STSB and Alderney's Policy & Finance Committee on the options outlined in this Policy Letter to seek a solution that is in the interests of both islands and governments and is fair and equitable. Public engagement has also taken place on the options, mindful that any change in infrastructure is likely



to bring about a change in the availability of transport links and level of service which impacts on the quality of life for residents and the attractiveness of the Island.

- 7.8 Discussion has included consideration on the impact of Aurigny's operations. This was explored in detail in the York Aviation report appended to the Policy Letter entitled "Alderney Airport Runway Rehabilitation", considered by the States in January 2019 (p.2018/138)<sup>8</sup>.
- 7.9 The States of Guernsey's obligation under the 1948 Agreement to the current runway's rehabilitation is clear, but the wider improvements such as its lengthening and the allied redevelopment of the terminal and fire station which are connected to regulatory requirements that then are engaged may be considered to be more subjective.
- 7.10 The States' support of any of the revised proposals being considered to deliver on the 1948 Agreement obligation represents a substantial financial commitment by the States of Guernsey on behalf of both islands, but with the financial burden being greater for Guernsey rather than Alderney. This will have an inherent impact, causing a shift in the political relationship. The States of Deliberation will want to ensure that the maximum benefit is made in respect of this investment, both financially and in terms of the economic development and standards of life in the Bailiwick.
- 7.11 This shift in the political relationship will be managed by the Policy & Resources Committee as part of its responsibilities for Bailiwick relationships, through the Alderney Liaison Group and the Bailiwick Council. Separately to the specific matter of this Policy Letter, the Policy & Resources Committee has also been working with Alderney counterparts on opportunities to develop and strengthen the relationship in the mutual interest of both parties, through a project known as "Alderney-Guernsey Working Together". This project seeks to find efficiencies by providing a wider array of operational services from Guernsey, such as Human Resources, IT, management of pensions, amongst other things. Discussions have also included consideration as to whether other more formal changes to the relationship may be necessary where they are in Alderney and Guernsey's mutual interest and enhance the Bailiwick as a whole.

## 8 Funding

- 8.1 The Funding & Investment Plan, part of the Government Work Plan, which was approved by the States in June 2021 (Billet d'Etat XV 2021) included the proposed capital portfolio for this term of government. One of the projects classified as

<sup>8</sup> Alderney Airport Runway Rehabilitation - States of Guernsey (gov.gg)

‘must do’ was the Alderney Airport Pavement Rehabilitation project. The cost of this original project was included in the overall portfolio which was estimated to have an overall value of £580m.

- 8.2 The States have also approved an additional allocation of £2m per annum as part as the Policy & Resources Committee’s Core budget to cover the cost of the Alderney PSO.
- 8.3 The analysis undertaken which has been set out in this Policy Letter demonstrates that Option C+ offers the best overall value for the States despite the capital costs of the project being significantly higher (over £10m) than the original scheme. This is because of the likely savings to the States of Guernsey in funding the Alderney air routes through the PSO. This contract currently costs £2m per annum.
- 8.4 Proposition 1 to this Policy Letter proposes that the revised scheme – Option C+ - replaces the existing Alderney Airport Pavement Rehabilitation in the capital portfolio. This will enable further detailed planning to be undertaken on the scheme to be approved under the delegated authority granted to the Policy & Resources Committee by the States in respect of the capital portfolio.
- 8.5 As set out in the section above, Guernsey and Alderney are effectively in fiscal union for the Transferred Services and the cost of Alderney Airport is part of the budget of the STSB at a cost of £1.3m. Although the 1948 Agreement includes a requirement to provide an airfield there is no requirement to ensure air services are able to operate to it. At the current time, the combined cost of the airfield and the air services to the taxpayers of Guernsey and Alderney is £3.3m.
- 8.6 Given the significant benefit to the island of Alderney that would be achieved through this project and the scope that it offers for resilience and economic benefit, representatives of the States of Guernsey and Alderney have discussed the States of Alderney making a contribution to the project. The letter from the Chair of the Policy and Finance Committee of the States of Alderney dated 26<sup>th</sup> September 2022 (which is appended at Appendix 1) confirms the willingness of the States of Alderney to make a financial contribution towards the scheme. Further detailed work needs to be undertaken to determine the level of such support and how it might be structured given the limited funding available to the States of Alderney and the existing demands on it.
- 8.7 Therefore, Proposition 2 of this Policy Letter requires that a reasonable and robust funding agreement is reached between the Policy & Resources Committee and the Policy and Finance Committee as a precursor to the project progressing to the construction phase. The Policy & Resources Committee is optimistic that such an agreement is realistic, albeit that the funding may need to be spread over a number of years. Should it not prove possible to secure such an agreement, the Policy & Resources Committee will return to the States with further proposals and to seek States’ direction.

- 8.8 At this stage a number of financial risks to the project remain and more detailed work is required to firm up on some of the associated costs. The Policy & Resources Committee will monitor the development of costs and benefits closely to ensure that Option C+ continues to deliver the best overall value and will not use its delegated authority to approve any expenditure should it suspect this no longer to be the case.

## 9 Timescale and Implementation Plan for the Preferred Way Forward

- 9.1 It is anticipated that subject to a satisfactory conclusion with respect to funding, the rehabilitation project planning will be completed by the end of 2023, following the necessary procurement processes, regulatory and political approval timescales, and construction concluded by the mid-2025 (Table 8 sets out key milestones for Options C+). In the short term (to 2023) it will be necessary to continue regular maintenance and to patch and repair the runway as required, to ensure it meets with regulatory standards.

Table 8: Key Milestones

<b>Option C+ – Preferred Option Outline Plan</b>		
<b>Key Milestone</b>	<b>Completion Date</b>	
Finalise OBC	March	<b>2022</b>
States Decision on Policy Letter	November	
Finalise Detailed Designs for Option C+	December	
CAA/ EASA Approval of design	Q1	<b>2023</b>
Issue Construction Tender	Q1	
Appoint Preferred Bidder	Q3	
Value Engineering and EIA finishes	Q4	
Planning Application for Site Construction Compounds	Q4	
Pre-Construction Conditions Discharged	Q1	<b>2024</b>
Contractor Mobilisation	Q2	
Construction Completion	Q2	<b>2025</b>

- 9.2 Clearly the project management will need to mitigate and manage some significant risks centred on facilitating inter-island agreement, securing timely regulatory approvals, managing inflationary costs and avoiding construction

delays.

## **10 Engagement and Consultation**

- 10.1 There have been presentations and briefings to key stakeholders and islanders at significant stages of the project. Central to this engagement have been inputs from the States of Alderney and the Alderney Chamber of Commerce. Both organisations have provided letters of support which are appended to this Policy Letter.
- 10.2 The States of Alderney are updated regularly on the project and through their officers have been able to contribute throughout the review.
- 10.3 An independent Project 'health check' was undertaken in April 2022 to review the revised OBC (including the development of the short list and preferred option) and to provide assurance following which a number of adjustments to the business case were made.
- 10.4 The OBC was considered and approved by the STSB on 24<sup>th</sup> March 2022 and the Policy & Resources Committee on 13<sup>th</sup> June 2022, subject to developing the funding model.

## **11 Conclusions**

- 11.1 In view of the current condition of the pavements at Alderney Airport, in line with legislative and regulatory requirements, and because of additional pertinent technical and financial input, a revised preferred Option (Option C+) is being proposed to the States of Deliberation. Whilst some preliminary work on the design has been undertaken to inform the ROM costs set out in the Policy Letter, detailed design associated with Option C+ needs to commence immediately under the delegated authority of the Policy & Resources Committee while it explores the best funding option for the Bailiwick with Alderney's Policy & Finance Committee.
- 11.2 This option will rehabilitate the existing runway and associated pavements, re-widen and lengthen the runway, and improve the approach and centre line lighting as well as drainage enhancements. Design work to facilitate the provision of the enhanced terminal facility and refurbished fire station will also be undertaken.
- 11.3 This investment will be against a backdrop where the amount of revenue generated by the States of Guernsey through taxation in Alderney (Income Tax, Excise and Import Duties) was roughly half of the total cost of delivering the Transferred Services in 2021. In total, net revenue expenditure to deliver Transferred Services was £12.30m. The States of Guernsey received a total of £6.89m.
- 11.4 There is therefore already a substantial financial commitment by the States of

Guernsey on behalf of both islands through the 1948 Agreement on which this investment in infrastructure will have an inherent impact. The Policy & Resources Committee therefore is of the view that it must reach a reasonable and robust arrangement with Alderney's Policy and Finance Committee to fund and operate an enlarged airport facility, including any legislative changes necessary to protect a lifeline route. In the absence of such an arrangement, the matter will need to be returned to the States of Guernsey.

- 11.5 The Policy & Resources Committee is already working with its Alderney counterparts on opportunities to develop and strengthen the relationship in the mutual interest of both parties on which it believes it will be able to build successfully.

## **12 Compliance with Rule 4**

- 12.1 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.

- 12.2 In accordance with Rule 4(1):

- (a) By addressing the current condition of the Alderney Airport Pavements, the Propositions will:
  - enable the States to discharge their obligations to provide this critical infrastructure, as a Transferred Service in accordance with the Alderney (Application of Legislation) Law, 1948, and future-proof the connectivity of Alderney in a new financial partnership with the States of Alderney.
  - contribute to the Government Work Plan recovery outcome "To maintain essential infrastructure and systems" whereby this specific project was approved under the 'Must Do' category in June 2021", and as a 'Priority 4' project in the Government Work Plan in June 2022.
- (b) The Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- (c) The financial implications of the Propositions are considered in section 8 and addressed in the Propositions.

- 12.3 In accordance with Rule 4(2):

- (a) The Propositions relate to the mandate of the STSB in respect of its responsibility to ensure the efficient management, operation and maintenance of Alderney Airport, and the requirements as set out in the

Alderney (Application of Legislation) Law, 1948 which determines the classification of Alderney Airfield as a Transferred Service; and

- (b) The mandate of the Policy & Resources Committee in respect of its responsibility for Bailiwick relationships, management of the PSO contract and duties with respect to financial and other resources under the control of the States of Guernsey.
- (c) The Propositions have the unanimous support of the States' Trading Supervisory Board and the majority support of the Policy & Resources Committee, with Deputy Soulsby and Deputy Le Tocq dissenting.

Yours faithfully

P T R Ferbrache  
President, Policy & Resources Committee

H J R Soulsby M.B.E.  
Vice-President

M A J Helyar  
J P Le Tocq  
D J Mahoney

Policy & Resources Committee

P J Roffey  
President, States' Trading Supervisory Board

C N K Parkinson, Vice President  
N G Moakes Member

S J Falla C.B.E.  
S J Thornton  
Non-States Members

States' Trading Supervisory Board



# **ALDERNEY CHAMBER OF COMMERCE**

**PO Box 1074 Alderney Channel Islands GY9 3BZ**  
**info@alderneychamber.com www.alderneychamber.com**



5<sup>th</sup> April 2022

Deputy Peter Roffey  
President  
States' Trading Supervisory Board  
The States of Guernsey

By email

Dear Peter,

The Alderney Chamber looks upon our airport as the prime gateway in and out of the island for business, social, tourist and medical reasons. Our viewpoint is to look to the future as more immediate decisions and resolutions may be made that are not ideal for the long term.

Our Chamber has over 160 member businesses representing the vast majority of the island's working population. In the 1980s our population was over 2,400 and our tax receipts were in excess of the Transferred Services provided. A decline in population followed reaching a low of around 1,800 a few years ago. Since then, however, and especially in the past three years, we have increased our population to around the 2,100 mark. This has resulted in a pleasing amount of new businesses moving to and setting up in Alderney and several of the larger employers, particularly in the finance sector, have increased their workforce so providing more quality jobs.

This increase in the working population is putting pressure on our infrastructure – in particular air transport. It is becoming increasingly difficult booking seats on both our Guernsey and Southampton sectors. More capacity is required and it is difficult to see where this can come from while we have our existing runway and just two Dorniers.

The decision taken some time ago by the States of Guernsey to widen our runway was met with much approval and would have resulted in fewer cancelled flights due to crosswinds.

The Alderney Chamber is continuing to see further growth in both population and business – this 'problem' needs to be met with a more resilient air transport structure that will allow for expansion.

Therefore we consider that for Alderney to retain and maintain its current length runway would, in reality, be a retrograde step. We also see it as paramount for the width to be increased both to improve crosswind capability and to be compliant within appropriate ratio re length/width for payloads.

Chamber understands Aurigny's logic in wishing to reduce its fleet of differing aircraft for efficiency and cost purposes – and hence its wish for a lengthened runway. We suggest looking further than this in that as time progresses it will be harder to find smaller commercial aircraft if we maintain our runway in its current configuration. There is a similar scenario within the shipping industry – harder to acquire smaller cargo ships for smaller harbours.

A further essential reason for an extended runway is to allow a medivac service to be able to operate in and out of Alderney. Aurigny has always provided a service of sorts that extends to transferring a patient – more of an air taxi service. But with the present fleet of two planes covering Alderney, this has negative repercussions for Aurigny's schedules.

We believe in looking to the long term and, with this in mind, we feel it essential to choose Option C+ which would allow Aurigny's larger planes to service us.

To future proof us for many years to come we need the longer runway and the width to be extended to 30 metres which is the CAA and EASA minimum for the ATR-72 800s to use the runway.

Yours sincerely,

Andrew

Andrew Eggleston  
President  
On behalf of the Council of the Alderney Chamber of Commerce





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Deputy P T R Ferbrache  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
GY1 1FH

26/9/22

Dear Deputy Ferbrache

### **Alderney Airport Rehabilitation Project**

I refer to your letter dated 08 September 2022, which was considered by the Policy & Finance Committee at its meeting on 26 September.

As explained in my earlier letter of 08 June 2022:-

“The Policy & Finance Committee believes that the Airport Rehabilitation Project is the most important Alderney infrastructure project to be considered since the Breakwater in the 19th Century, and the eventual outcome will have a material effect on how Alderney develops in the decades ahead in terms of its level and rate of economic recovery.”

Given the above, the Committee is pleased to agree in principle to explore options which can be expressed formally and appended to the policy letter whereby the States of Alderney could make a financial contribution towards Option C+, i.e the refurbishment and extension of the runway with upgrades to the terminal building, and other necessary associated infrastructure improvements.

I have instructed my officers to begin looking at this matter, ahead of our proposed meeting.

Yours sincerely

Ian Carter

Chair of the Policy and Finance Committee  
States of Alderney

## ***ORDINANCE LAID BEFORE THE STATES***

The States of Deliberation have the power to annul the Ordinance detailed below.

### **THE LONG-TERM CARE INSURANCE (GUERNSEY) (ENTITLEMENT TO BENEFIT) ORDINANCE, 2022**

In pursuance of the provisions of the proviso to Article 66A(1) of The Reform (Guernsey) Law, 1948, as amended, "The Long-term Care Insurance (Guernsey) (Entitlement to Benefit) Ordinance, 2022" made by the Policy & Resources Committee on the 31<sup>st</sup> October, 2022, is laid before the States.

### **EXPLANATORY MEMORANDUM**

This Ordinance prescribes an alternative condition for entitlement to benefit under section 3 of the Long-Term Care Insurance (Guernsey) Law, 2002 ("the 2002 Law").

Section 3 of the 2002 Law sets out the conditions of entitlement to benefit under the Law. Section 3(2)(e) requires that in cases of care benefit and respite care benefit, the person "is a resident of an approved care establishment which is not wholly owned by the States". The Ordinance, made under the powers conferred by section 3(1)(b) of the 2002 Law, prescribes an alternative condition to that set out at (2)(e): that in the cases of care benefit and respite care benefit, the person concerned is a resident of an approved care establishment which has been specified by resolution of the Committee *for* Employment & Social Security. It also makes clear, for the avoidance of the doubt, that the Committee may specify an approved care establishment which is wholly owned by the States.

The Ordinance was approved by the Legislation Review Panel on the 31<sup>st</sup> October, 2022 and made by the Policy & Resources Committee in exercise of its powers under Article 66A(1) of the Reform (Guernsey) Law, 1948. Under the proviso to the said Article 66A(1), the States of Deliberation have the power to annul the Ordinance.

## **STATUTORY INSTRUMENTS LAID BEFORE THE STATES**

The States of Deliberation have the power to annul the Statutory Instruments detailed below.

No. 68 of 2022

### **THE WASTEWATER CHARGES (GUERNSEY) REGULATIONS, 2022**

In pursuance of section 5 of the Fees, Charges and Penalties (Guernsey) Law, 2007, “The Wastewater Charges (Guernsey) Regulations, 2022”, made by the States’ Trading Supervisory Board on 15<sup>th</sup> September 2022, are laid before the States.

#### **EXPLANATORY NOTE**

These Regulations prescribe new wastewater charges and rates applying under the Wastewater Charges (Guernsey) Law, 2009.

These Regulations come into force on 1<sup>st</sup> January, 2023.

No. 69 of 2022

### **THE WATER CHARGES (AMENDMENT) REGULATIONS, 2022**

In pursuance of section 5 of the Fees, Charges and Penalties (Guernsey) Law, 2007, “The Water Charges (Amendment) Regulations, 2022”, made by the States’ Trading Supervisory Board on 15<sup>th</sup> September 2022, are laid before the States.

#### **EXPLANATORY NOTE**

These Regulations prescribe the charges which will be made for the supply of water for 2023.

These Regulations come into force on 1<sup>st</sup> January, 2023.

No. 70 of 2022

### **WASTE DISPOSAL AND RECOVERY CHARGES REGULATIONS, 2022**

In pursuance of section 72(3) of the Environmental Pollution (Guernsey) Law, 2004, the “Waste Disposal and Recovery Charges Regulations, 2022”, made by the Waste Disposal Authority on 6<sup>th</sup> October, 2022, are laid before the States.

#### **EXPLANATORY NOTE**

These Regulations prescribe the charges, or rates of charge, payable from 1st January 2023 as a pre-condition of the acceptance of waste of particular descriptions by the Waste Disposal Authority for disposal or recovery at specified public waste management sites (see Table 1 in Schedule 1). They also set out charges in 2023 for the reloading of waste which is not accepted at the Longue Hougue Land Reclamation Site (see Table 2 in Schedule 1). These

Regulations do not change the charges for black bag waste put out for household kerbside collections which are set out in different legislation.

The majority of the charges (known as commercial gate fees) have been uplifted based on RPIX as at the end of June, 2022 and the Waste Disposal Authority's assessment of prospective inflation, in relation to costs to be incurred, for the upcoming period.

The exceptions to the standard basis for the uplift are as follows: the charge for black bag waste brought to the Longue Hougue Waste Recycling Centre is the same as that to be charged in 2023 for black bag waste put out for household kerbside collections; £5 has been added to the standard uplift for the charge for inert waste brought to the Longue Hougue Land Reclamation Site which falls within category B1 in Table 1 to Schedule 1 to the Regulations (category B1) and the charge for reloading at the Longue Hougue Land Reclamation Site (see Table 2 to Schedule 1) has been increased to reflect the related increase to the charge for inert waste in category B1.

The increased charge for category B1 inert waste is the second of four, planned phased increments to meet the estimated costs for the design and construction of a new inert waste facility and the stockpiling of inert waste prior to the new facility becoming available. The reloading charges are charged where waste delivered to the site has to be reloaded onto lorries as it does not meet the waste acceptance criteria of the site. Therefore, to provide a disincentive to not meeting those criteria the charges have to be set higher than the charge for acceptance of waste for disposal or recovery at the Longue Hougue Land Reclamation site.

These Regulations come into force on 1st January, 2023.

No. 71 of 2022

### **THE WASTE MANAGEMENT SERVICES (CHARGING) (NO.2) REGULATIONS, 2022**

In pursuance of section 72(3) of the Environmental Pollution (Guernsey) Law, 2004, "The Waste Management Services (Charging) (No.2) Regulations, 2022", made by the Waste Disposal Authority on 6<sup>th</sup> October, 2022, are laid before the States.

#### **EXPLANATORY NOTE**

These Regulations amend the Schedule to the Waste Management Services (Charging) Ordinance, 2018 to increase the prescribed bag charges for residual waste bags of both sizes (up to and including 50 litres in capacity and those 51 to 90 litres in capacity). They also increase the annual fixed charge for waste management services provided by the Waste Disposal Authority.

These Regulations come into force on the 1<sup>st</sup> January, 2023.

No. 72 of 2022

**THE AIRPORT FEES (GUERNSEY AND ALDERNEY) REGULATIONS, 2022**

In pursuance of the powers conferred upon it by section 2(1) of the Airport Fees Ordinance, 1987, as amended, and as delegated to it by section 1(1)(d) of the Fees, Charges and Penalties (Guernsey) Law, 2007, made by the States' Trading Supervisory Board on 6<sup>th</sup> October, 2022, is laid before the States.

**EXPLANATORY NOTE**

These Regulations prescribe the fees for the use of Alderney Airport and Guernsey Airport. Under the terms of the Fees, Charges and Penalties (Guernsey) Law, 2007, these dues and charges may now be prescribed by regulations of the States' Trading Supervisory Board.

These Regulations come into force on 1<sup>st</sup> April, 2023.

No. 73 of 2022

**THE HARBOUR DUES AND FACILITIES CHARGES (GUERNSEY) REGULATIONS, 2022**

In pursuance of the powers conferred upon it by sections 2 and 3 of the Harbour Dues (Saint Peter Port and Saint Sampson) Law, 1957, section 33 of the Harbours Ordinance, 1988, sections 1 and 5 of the Fees, Charges and Penalties (Guernsey) Law, 2007, made by the States' Trading Supervisory Board on 6<sup>th</sup> October, 2022, is laid before the States.

**EXPLANATORY NOTE**

These Regulations prescribe the harbour dues payable under section 2 of the Harbour Dues (Saint Peter Port and Saint Sampson) Law, 1957, and the charges payable for the use of harbour facilities under section 33(1) of the Harbours Ordinance, 1988. Under the terms of the Fees, Charges and Penalties (Guernsey) Law, 2007, these dues and charges may now be prescribed by regulations of the States' Trading Supervisory Board.

These Regulations come into force on 1<sup>st</sup> January, 2023.

No. 74 of 2022

**THE MOORING CHARGES (GUERNSEY) REGULATIONS, 2022**

In pursuance of section 2 of the Vessels and Speedboats (Compulsory Third-Party Insurance, Mooring Charges and Removal of Boats) (Guernsey) Law, 1972, sections 1 and 5 of the Fees, Charges and Penalties (Guernsey) Law, 2007 made by the States' Trading Supervisory Board on 6<sup>th</sup> October, 2022, is laid before the States.

**EXPLANATORY NOTE**

These Regulations prescribe the mooring charges payable under section 2 of the Vessels and Speedboats (Compulsory Third-Party Insurance, Mooring Charges and Removal of Boats) (Guernsey) Law, 1972 (the "**1972 Law**"). Under the terms of the Fees, Charges and Penalties

(Guernsey) Law, 2007, these charges may now be prescribed by regulations of the States' Trading Supervisory Board.

These Regulations come into force on the 1<sup>st</sup> April, 2023.

No. 75 of 2022

#### **THE PILOTAGE DUES (GUERNSEY) REGULATIONS, 2022**

In pursuance of the powers conferred upon it by sections 1, 2, 3 and 8 of the Pilotage Dues and Fees Ordinance, 1987 and sections 1 and 5 of the Fees, Charges and Penalties (Guernsey) Law, 2007, made by the States' Trading Supervisory Board on 6<sup>th</sup> October, 2022, is laid before the States.

#### **EXPLANATORY NOTE**

These Regulations prescribe the pilotage dues and related charges payable under the Pilotage Dues and Fees Ordinance, 1987. Under the terms of the Fees, Charges and Penalties (Guernsey) Law, 2007, these dues and charges may now be prescribed by regulations of the States' Trading Supervisory Board.

These Regulations came into force on 1<sup>st</sup> January, 2023.

No. 76 of 2022

#### **THE ECONOMIC AND FINANCIAL CRIME BUREAU AND FINANCIAL INTELLIGENCE UNIT (AMENDMENT) REGULATIONS, 2022**

In pursuance of sections 2 and 16 of the Economic and Financial Crime Bureau and Financial Intelligence Unit (Bailiwick of Guernsey) Law, 2022 and sections 9 and 20 of the Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016, The Economic and Financial Crime Bureau and Financial Intelligence Unit (Amendment) Regulations, 2022, made by the Committee for Home Affairs on 17th October 2022, is laid before the States.

#### **EXPLANATORY NOTE**

These Regulations amend two typographical errors in the Economic and Financial Crime Bureau and Financial Intelligence Unit (Bailiwick of Guernsey) Law, 2022.

These Regulations come into force on the 20 October, 2022.

No. 77 of 2022

**THE FORFEITURE OF MONEY ETC IN CIVIL PROCEEDINGS (DESIGNATION OF COUNTRIES)  
(BAILIWICK OF GUERNSEY) REGULATIONS, 2022**

In pursuance of sections 53 and 64 of the Forfeiture of Money etc in Civil Proceedings (Bailiwick of Guernsey) Law, 2007, The Forfeiture of Money etc in Civil Proceedings (Designation of Countries) (Bailiwick of Guernsey) Regulations, 2022, made by the Committee for Home Affairs on 25th October 2022 is laid before the States.

**EXPLANATORY NOTE**

These Regulations designate, for the purposes of the Forfeiture of Money, etc in Civil Proceedings (Bailiwick of Guernsey) Law, 2007 (a) the Federative Republic of Brazil and the Republic of Colombia as countries which appear to the Committee for Home Affairs to have legislation in force relating to the forfeiture by a court in non-conviction based proceedings of money or other property which is the proceeds of unlawful conduct or intended for use in unlawful conduct, and (b) the persons, bodies or authorities in those countries on whose behalf any action under that Law may be taken.

These Regulations come into force upon being made.

The full text of the legislation can be found at: <http://www.guernseylegalresources.gg>

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

**THE INCOME TAX (GUERNSEY) (AMENDMENT) (NO. 3) ORDINANCE, 2022**

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Income Tax (Guernsey) (Amendment) (No. 3) Ordinance, 2022", and to direct that the same shall have effect as an Ordinance of the States.

**EXPLANATORY MEMORANDUM**

This Ordinance amends the Income Tax (Guernsey) Law 1975 and certain Ordinances made under that Law.

Section 2 of the Ordinance amends the 1975 Law by exempting, from tax, payments made to sponsors under the Ukraine Sponsorship Scheme established by the Policy & Resources Committee.

Section 3 amends two outdated references to "the Income Tax office" (now the Revenue Service).

Section 4 inserts a new section 157DA which provides for the imposition of an enhanced 50% rate of tax on unauthorised payments from approved pension and annuity schemes.

Section 5 inserts a new section 157LA affirming the closure of section 157E exempt pension contracts and exempt pension trusts with effect from the 27<sup>th</sup> June 2012 following their de-recognition by HMRC as qualifying schemes ("QROPS") in May that year and the subsequent statement made to the States by the Minister of the Treasury and Resources Department announcing their closure.

Section 6 makes a consequential amendment in respect of section 5.

Section 7 increases the tax caps set out in the Sixth Schedule for individuals resident in Guernsey from £130,000 and £260,000 to £150,000 and £300,000 respectively.

Section 9 amends section 1 of the Income Tax (Tax Relief on Interest Payments) (Guernsey) Ordinance, 2007 by postponing the withdrawal of tax relief for interest payments on borrowed money for a principal private residence until 2026 and increasing the amount of relief for 2023, 2024 and 2025.



Section 10 amends section 2 of that Ordinance to phase out, by 2026, tax relief against letting income for interest payments on borrowed money for a domestic residential dwelling.

Section 11 allows the Policy & Resources Committee to make regulations as to the meaning of the expression "domestic residential dwelling" in section 10.

Section 12 amends section 2(1)(v) of the Income Tax (Exemption of Benefits) Ordinance, 1995 by increasing the amount of employee benefits in kind exempt from tax (being benefits which are not the subject of any specific provision to the contrary) from £450 to £900 (or such other amount as the Policy & Resources Committee may determine by regulation).

The Ordinance comes into force on the 1<sup>st</sup> January, 2023.

# **The Income Tax (Guernsey)**

## **(Amendment) (No. 3) Ordinance, 2022**

**THE STATES**, in pursuance of their Resolution of the 2<sup>nd</sup> November, 2022<sup>a</sup>, and in exercise of the powers conferred on them by sections 39A, 203A and 208C of the Income Tax (Guernsey) Law, 1975<sup>b</sup>, and all other powers enabling them in that behalf, hereby order:-

### **Amendment of 1975 Law.**

1. The Income Tax (Guernsey) Law, 1975 is further amended as follows.

2. After section 40(nn) insert the following paragraph –

"(oo) payments not exceeding £349 per month (or such other amount as the Committee may determine by regulation) made to an individual who is a sponsor in accordance with the Ukraine Sponsorship Scheme established by the Committee, the payments not being chargeable to tax in the hands of the recipient."

3. In sections 75KA(3)(b) and 156(4) for "Income Tax office" substitute "Revenue Service".

4. After section 157D insert the following section –

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<sup>a</sup> Article I (propositions 2, 3, 4, 6 and 7) of Billet d'État No. XIX of 2022.

<sup>b</sup> Ordres en Conseil Vol. XXV, p. 124; the Law has been amended.

**"Enhanced rate of tax on unauthorised payments.**

**157DA.** (1) Where a payment is made from –

- (a) a pension scheme approved by the Director in accordance with the provisions of section 150, or
- (b) a retirement annuity scheme or retirement annuity trust scheme approved by the Director in accordance with the provisions of section 157A,

in contravention of the conditions of the Director's approval or the provisions of this Law, or in circumstances where the conditions for approval of the scheme imposed by the provisions of this Law are no longer fulfilled -

- (i) the payment shall be treated as income of the year in which it is made in the hands of the recipient,
- (ii) income tax is due, and deductible by the person ("person A") by or through whom the payment is made, at a rate of 50% (the "**enhanced rate**") unless the Director decides to abate that liability in whole or in part on the ground that the Director considers it just and reasonable to do so in all the circumstances of the case, and

- (iii) person A, having deducted the tax chargeable under subparagraph (ii), shall remit it to the Director within a period of one month, and section 157A(5A)(b), (c), (d), (e) and (f) apply with appropriate modifications in respect of person A and a payment described in this section as they apply in respect of a person by or through whom a lump sum described in section 157A(5A)(a) is paid and such a lump sum.

(2) The amount of tax paid in any year of charge by an individual at the enhanced rate in respect of a payment described in subsection (1) –

- (a) may be set off against any tax at the individual standard rate that would otherwise have been due from that individual in that year of charge in respect of that payment, and
- (b) is not to be taken into account in calculating the amount of tax paid by that individual in that year of charge for the purposes of determining that individual's eligibility for any limitation or cap specified by the provisions of this Law on the maximum amount of tax payable by that individual in that year of charge under the provisions of this Law,

and, notwithstanding the provisions of section 5C, no amount that an individual has elected to pay by way of the standard charge in accordance with section 5B may be set off against the amount of tax due from that individual at the enhanced rate.

(3) This section is without prejudice to –

- (a) the powers of the Director to revoke, or vary any conditions attached to, the approval of a scheme described in subsection (1), or
- (b) any other sanction, measure or consequence set out in the provisions of this Law in respect of –
  - (i) a contravention of the conditions of the Director's approval or the provisions of this Law, or
  - (ii) a non-fulfilment of the conditions for approval of such a scheme imposed by the provisions of this Law.

(4) A person aggrieved by the imposition of a charge to income tax at the enhanced rate or by a decision of the Director not to abate such a charge, or to abate it only in part, may appeal to the Guernsey Revenue Service Tribunal on giving to the Director notice in writing, stating the grounds of appeal, within a period of 30 days beginning on the date of the notice imposing the charge or (as the case may be) stating the Director's decision.

(5) The Guernsey Revenue Service Tribunal may admit an appeal under subsection (4) after the expiration of the 30 day period if satisfied that owing to absence, sickness or other reasonable cause a person was prevented from giving notice of appeal within that period.

(6) The sole grounds of appeal are that –

(a) the charge to income tax at the enhanced rate is not payable because the payment in respect of which the charge was levied was not made from a scheme described in subsection (1) –

(i) in contravention of the conditions of the Director's approval or the provisions of this Law, or

(ii) in circumstances where the conditions for approval of the scheme imposed by the provisions of this Law were no longer fulfilled,

(b) the charge to income tax at the enhanced rate has been miscalculated, or

(c) the decision of the Director not to abate the charge, or to abate it only in part, was unreasonable as a matter of law having regard to all facts and circumstances of the case.

(7) In disposing of an appeal the Guernsey Revenue Service Tribunal may –

(a) confirm, annul or vary the charge in whole or in part, or

(b) set aside the charge and order the Director to make a fresh determination after making such further enquiry as –

(i) the Director thinks fit, or

(ii) the Guernsey Revenue Service Tribunal may direct.

(8) Subject to section 80, the decision of the Guernsey Revenue Service Tribunal is final and conclusive.

(9) This section applies to the exclusion of sections 76 and 79.

(10) Sections 77, 78, 78A and 80 apply in relation to an appeal under this section as they apply in relation to an appeal under section 76.

(11) In this section –

(a) the "**enhanced rate**" has the meaning given in subsection (1)(ii),

- (b) references, however expressed -
  - (i) to a pension scheme approved by the Director in accordance with the provisions of section 150 include references to a part of a pension scheme so approved,
  - (ii) to the provisions of this Law include references to any Ordinance, regulation or resolution made under it,
  - (iii) to conditions include references to limitations, restrictions and qualifications."

5. After section 157L insert the following section –

**"Bar on approvals of and contributions into exempt pension contracts/trusts.**

**157LA. (1)** From the date of the coming into force of this section –

- (a) the Director shall not approve any contract as an exempt pension contract or any trust as an exempt pension trust in accordance with the provisions of section 157E, and
- (b) no payment, transfer or contribution may be made into an exempt pension contract or exempt



pension trust.

(2) This section shall be deemed to have come into force on the 27<sup>th</sup> June, 2012."

6. In section 157M for "157L" where appearing in the title and the text of the section substitute "157LA".

7. In paragraph 1 of the Sixth Schedule –

(a) for "£130,000" in both places appearing substitute "£150,000",  
and

(b) for "£260,000" in both places appearing substitute "£300,000".

**Amendment of 2007 Tax Relief Ordinance.**

8. The Income Tax (Tax Relief on Interest Payments) (Guernsey) Ordinance, 2007<sup>c</sup> is further amended as follows.

9. In the table in section 1(2)(b)(ii) –

(a) for the entry in column 1 in respect of the year of charge 2023 ("2,000") substitute "3,500",

(b) for the entry in column 1 in respect of the year of charge 2024 ("1,000") substitute "2,000",

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<sup>c</sup> Ordinance No. I of 2008; the Ordinance has been amended.

- (c) immediately after the entries in respect of the year of charge 2024 insert new entries of "£1,000" and "2025" in columns 1 and 3 respectively,
- (d) in column 3 for "2025 and subsequent years of charge" substitute "2026 and subsequent years of charge".

10. After section 2(2)(c) insert the following paragraph –

- "or (d) subject to the provisions of section 1, where the borrowed money was used for the acquisition, construction, reconstruction or repair of a domestic residential dwelling situate in the Bailiwick of Guernsey;

Provided that deductions shall continue to be allowed under subsection (1) against income from the letting of such a dwelling on a tapering proportion of the interest paid in accordance with the following table (where column 1 is the proportion of the interest paid in respect of which tax relief may be claimed and column 2 is the applicable year of charge) –

1.	2.
Proportion of interest paid eligible for tax relief	Year of charge in which that percentage may be

against letting income	claimed
75%	2023
50%	2024
25%	2025
0%	2026 and subsequent years of charge

Provided also that, notwithstanding the provisions of subsection (3), no such relief against interest paid in a year of charge in respect of a domestic residential dwelling situate in the Bailiwick of Guernsey may be carried forward to, and allowed as a deduction in, a later year of charge in which income in respect of the letting of that dwelling first arises (should that be after the year of charge 2025).".

11. After section 2(2) insert the following subsection –

"(2A) The Policy and Resources Committee may make regulations as to the meaning of the expression "domestic residential dwelling".".

**Amendment of 1995 Exemption of Benefits Ordinance.**

12. In section 2(1)(v) of the Income Tax (Exemption of Benefits) Ordinance,

1995<sup>d</sup>, for "£450" substitute "£900 (or such other amount as the Policy and Resources Committee may determine by regulation)".

**Citation.**

13. This Ordinance may be cited as the Income Tax (Guernsey) (Amendment) (No. 3) Ordinance, 2022.

**Commencement.**

14. This Ordinance shall come into force on the 1<sup>st</sup> January, 2023.

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<sup>d</sup> Recueil d'Ordonnances Tome XXVI, p. 472; the Ordinance has been amended.

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

**THE FAMILY ALLOWANCES ORDINANCE, 2022**

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Family Allowances Ordinance, 2022", and to direct that the same shall have effect as an Ordinance of the States.

**EXPLANATORY MEMORANDUM**

This Ordinance amends the rate of family allowance under the Family Allowances (Guernsey) Law, 1950 with effect from 2<sup>nd</sup> January, 2023. On and from that date the rate will be £15.80 a week. The rate is increased by 7% in line with the annual rate of inflation (RPIX) for the year ending 30<sup>th</sup> June, 2022.



# **The Family Allowances Ordinance, 2022**

**THE STATES**, in pursuance of their Resolution of the 3<sup>rd</sup> November, 2022<sup>a</sup>, and in exercise of the powers conferred upon them by sections 1 and 3 of, and paragraph 1 of the Schedule to, the Family Allowances (Guernsey) Law, 1950<sup>b</sup>, and all other powers enabling them in that behalf, hereby order:-

## **Amount of allowance.**

1. The amount of allowance referred to in section 1(1) of the Family Allowances) Law, in respect of each child in the family is at the rate of £15.80 a week.

## **Amount as to contribution to the cost of providing for a child.**

2. (1) The rate of contribution to the cost of providing for a child, for the purposes of section 3(2) of the Family Allowances Law, is £15.80 a week or more.

(2) The rate of contribution to the cost of providing for a child, for the purposes of the proviso to paragraph 1(1) of the Schedule to the Family Allowances Law, is £15.80 a week.

## **Interpretation.**

3. In this Ordinance, "**the Family Allowances Law**" means the Family Allowances (Guernsey) Law, 1950.

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<sup>a</sup> Article II of Billet d'État No. XIX of 2022.

<sup>b</sup> Ordres en Conseil Vol. XIV, p. 332. This enactment has been amended.

**Repeal.**

4. The Family Allowances (Guernsey) (Amendment etc.) Ordinance, 2021<sup>c</sup> is repealed.

**Citation.**

5. This Ordinance may be cited as the Family Allowances Ordinance, 2022.

**Extent.**

6. This Ordinance shall have effect in the Islands of Guernsey, Alderney, Herm and Jethou.

**Commencement.**

7. This Ordinance shall come into force on the 2<sup>nd</sup> January, 2023.

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<sup>c</sup> Ordinance No. XLIII of 2021.



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

**THE SEVERE DISABILITY BENEFIT AND CARER'S ALLOWANCE (AMENDMENT)  
ORDINANCE, 2022**

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Severe Disability Benefit and Carer's Allowance (Amendment) Ordinance, 2022", and to direct that the same shall have effect as an Ordinance of the States.

**EXPLANATORY MEMORANDUM**

This Ordinance amends the weekly rate of severe disability benefit and carer's allowance and the annual income limits under the Severe Disability Benefit and Carer's Allowance (Guernsey) Law, 1984 with effect from the 2<sup>nd</sup> January, 2023. The rates of severe disability benefit and the annual income limits are increased by 7% in line with the annual rate of inflation (RPIX) for the year ending 30<sup>th</sup> June, 2022. The rate of carer's allowance is increased by 10%.



# **The Severe Disability Benefit and Carer's Allowance**

## **Ordinance, 2022**

THE STATES, in pursuance of their Resolution of the 3rd November, 2022<sup>a</sup>, and in exercise of the powers conferred on them by sections 1(4), 2(3)(b), 3 and 23 of the Severe Disability and Carer's Allowance (Guernsey) Law, 1984<sup>b</sup> and all other powers enabling them in that behalf, hereby order:-

### **Entitlement to severe disability benefit.**

1. The amount determined for the purposes of section 1(4) of the Law is £113,400.

### **Entitlement to carer's allowance.**

2. The amount determined for the purposes of section 2(3)(b) of the Law is £113,400.

### **Rates of allowances.**

3. (1) The weekly rate of a severe disability benefit determined for the purposes of section 3 of the Law is £121.52.

(2) The weekly rate of a carer's allowance determined for the purposes of section 3 of the Law is £101.09.

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<sup>a</sup> Article II of Billet d'État No. XIX of 2022.

<sup>b</sup> Ordres en Conseil Vol. XXVIII p. 353. This enactment has been amended.

**Interpretation.**

4. In this Ordinance, "**the Law**" means the Severe Disability Benefit and Carer's Allowance (Guernsey) Law, 1984.

**Repeal.**

5. The Severe Disability Benefit and Carer's Allowance (No. 2) Ordinance, 2021<sup>c</sup> is repealed.

**Citation.**

6. This Ordinance may be cited as the Severe Disability Benefit and Carer's Allowance Ordinance, 2022.

**Extent.**

7. This Ordinance shall have effect in the Islands of Guernsey, Alderney, Herm and Jethou.

**Commencement.**

8. This Ordinance shall come into force on the 2<sup>nd</sup> January, 2023.

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<sup>c</sup> Ordinance No. XLI of 2021.

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

**THE INCOME SUPPORT (IMPLEMENTATION) (AMENDMENT) (NO. 2) ORDINANCE,  
2022**

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Income Support (Implementation) (Amendment) (No. 2) Ordinance, 2022", and to direct that the same shall have effect as an Ordinance of the States.

**EXPLANATORY MEMORANDUM**

This Ordinance makes amendments to the First Schedule to the Income Support (Implementation) Ordinance, 1971 which sets out how income support is calculated.

The Ordinance removes the limit of weekly income support payable for a person living in the community and also make amendments consequential upon this (see sections 2, 3, 5 and 6). It also increases that limit for the remaining categories of persons including those residing in residential and nursing homes by 7% in line with the annual rate of inflation (RPIX) for the year ending 30<sup>th</sup> June, 2022 (the annual rate of inflation).

The Ordinance amends the short term and long-term requirement rates on which the calculation of income support is based, related rent allowances added in calculating a claimant's requirements and the level of personal allowances for people in residential homes who are in receipt of income support (sections 4, 11 and the First Schedule). The requirement rates are based on the Minimum Income Standard adjusted figures proposed in the Policy Letter uplifted by 7% in line with the annual rate of inflation.



# **The Income Support (Implementation) (Amendment)**

## **(No. 2) Ordinance, 2022**

**THE STATES**, in pursuance of their Resolutions of the 3<sup>rd</sup> November, 2022<sup>a</sup>, and in exercise of the powers conferred on them by sections 3(2) and (4), 15 and 15B of the Income Support (Guernsey) Law, 1971<sup>b</sup>, and all other powers enabling them in that behalf, hereby order:-

### **Amendment of Ordinance.**

1. The First Schedule (including its Appendix) to the Income Support (Implementation) Ordinance, 1971<sup>c</sup> is amended as follows.

2. In the heading to paragraph 3 (limitation on amount of income support payable), at the end add "for certain persons".

3. In paragraph 3 (limitation on amount of income support payable for certain persons) -

(a) in subparagraph (1), after "of a person" insert "described in subparagraph (2)",

(b) in subparagraph (2) -

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<sup>a</sup> Article II of Billet d'État No. XIX of 2022.

<sup>b</sup> Ordres en Conseil Vol. XXIII, p. 26. This enactment has been amended.

<sup>c</sup> Recueil d'Ordonnances Tome XVII, p. 139. This enactment has been amended.

- (i) delete item (a),
- (ii) in item (b)(ii), for "second and fourth" substitute "first and third",
- (iii) in item (c)(ii) for "third and fourth" substitute "second and third", and
- (iv) in item (d), for "fifth" substitute "fourth".

4. In paragraph 6 (rent) , in subparagraphs (1)(b) and (2A)(a), for "£84.50" substitute "£86.00".

5. In paragraph 7(1)(a) (persons in hospital, nursing home or residential home), for "fourth" substitute "third".

6. In paragraph 7A (persons in hospital or care home in the UK), for "fifth" substitute "fourth".

7. In paragraph 15(1) (earnings), for "£35" substitute "£40".

8. In the heading to paragraph 16 (relating to disregard of certain payments) and in paragraph 16 , for "£20" substitute "£40".

9. In the heading to paragraph 17 (relating to disregard of other income) and in paragraph 17(1), for "£10" substitute "£20".

10. In paragraph 17(2) (relating to disregards under paragraphs 16 and 17), for each reference to "£20" substitute "£40".

11. For Tables 1 to 4 set out in the Appendix to the First Schedule, substitute



the numbered Tables 1 to 4 set out in the First Schedule to this Ordinance.

12. For Table 6 set out in the Appendix to the First Schedule, substitute the numbered Table 6 set out in the Second Schedule to this Ordinance.

**Extent.**

13. This Ordinance has effect in the islands of Guernsey, Alderney, Herm and Jethou.

**Repeal.**

14. The Income Support (Implementation) (Amendment) Ordinance, 2018<sup>d</sup> and the Income Support (Implementation) (Amendment) Ordinance, 2022<sup>e</sup> are repealed.

**Citation.**

15. This Ordinance may be cited as the Income Support (Implementation) (Amendment) (No. 2) Ordinance, 2022.

**Commencement.**

16. This Ordinance shall come into force on the 6<sup>th</sup> January, 2023.

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<sup>d</sup> Ordinance No. XIII of 2018.

<sup>e</sup> Ordinance No. \*\* of 2022.

## FIRST SCHEDULE

### Section 11

"Table 1

(Paragraph 3)

Limitation of weekly benefit payable for certain persons as from the week  
commencing 6<sup>th</sup> January, 2023

<i>Residential home</i>	<i>Nursing Home, etc</i>	<i>Personal Allowance</i>	<i>UK Personal Allowance</i>
£640.00	£920.00	£43.78	£61.89

Table 2

(Paragraph 5(1) and (2))

Short-term Weekly Requirements as from week commencing

6<sup>th</sup> January, 2023

<i>Description</i>	<i>Amount</i>
Married couple or other persons falling within paragraph 2(1) (" <b>Couple</b> ")	£242.80
Person not falling within paragraph 2(1) who is directly responsible for household necessities and rent (if any) (" <b>Single householder</b> ")	£145.55
Person who is not a householder (" <b>Non-householder</b> ") -	£111.09
Member of a household -	
Aged 11 years or over;	£106.57
Aged 5 years or over but less than 11;	£83.41
Aged less than 5 years	£68.39

Table 3

(Paragraph 5(2) and 2(A))

Long-term Weekly Requirements as from week commencing

6<sup>th</sup> January, 2023

<i>Description</i>	<i>Amount</i>
Married couple or other persons falling within paragraph 2(1) (" <b>Couple</b> ")	£345.50
Person not falling within paragraph 2(1) who is directly responsible for household necessities and rent (if any) (" <b>Single householder</b> ")	£207.80
Person who is not a householder (" <b>Non-householder</b> ") -	£158.22
Member of a household -	
Aged 11 years or over;	£121.38
Aged 5 years or over but less than 11;	£92.34
Aged less than 5 years	£80.61

Table 4

(Paragraph 6(4))

Maximum Rent Allowances as from week commencing

6<sup>th</sup> January, 2023

<i>Description</i>	<i>Amount</i>
Married couple or other persons falling within paragraph 2(1) (" <b>Couple</b> ") with no child dependants	£256.14
Person not falling within paragraph 2(1) who is directly responsible for household necessities and rent (if any) (" <b>Single householder</b> ") with no child dependants	£256.14
Couple or Single householder with one child dependant	£297.53
Couple or Single householder with two child dependants	£378.79
Couple or Single householder with 3 or more child dependants	£463.04
Person living in shared accommodation	£198.30".

## SECOND SCHEDULE

### Section 12

"Table 6

(Paragraph 13)

Capital allowances to be wholly disregarded as from week commencing

6<sup>th</sup> January, 2023

<i>Description</i>	<i>Amount</i>
Person not falling within paragraph 2(1) who is directly responsible for household necessities and rent (if any) (" <b>Single householder</b> ") with no child dependants	£15,000
Married couple or other persons falling within paragraph 2(1) (" <b>Couple</b> ") with no child dependants	£18,000
Couple or single householder with one child dependant	£20,000
Couple or single householder with two child dependants	£25,000
Couple or single householder with three or more child dependants	£27,000".

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

**DEVELOPMENT & PLANNING AUTHORITY**

PROPOSAL FOR PROVISIONS TO ADDRESS LAND WHICH IS AFFECTING THE AMENITY  
OF AN AREA

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled “Proposal for Provisions to Address Land Which is Affecting the Amenity of an Area” they are of the opinion:-

1. To agree to give the Development & Planning Authority a power to serve civil notices on owners and occupiers of land, requiring the owner and occupiers to take steps to remedy the condition of their land, other than in relation to certain redundant glasshouses and related structures, where the Authority considers the condition of that land is adversely affecting the amenity of the area; and to agree to make the following related provision for-
  - a) appeals to the Planning Tribunal against the service of such a notice;
  - b) offences in relation to a contravention of a requirement of such a notice;
  - c) the Development & Planning Authority to have powers to enter land and to carry out required steps where a requirement of a notice is not met; and
  - d) the Development & Planning Authority to have powers to recover costs and apply to the Royal Court for a charge over the land similar to those which currently apply in relation to compliance notices under planning legislation,

as further detailed in section 5 of that Policy Letter and to provide for all necessary related provisions as set out in that section.
2. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

The above Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1)(c) of the Rules of Procedure of the States of Deliberation and their Committees.

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

**DEVELOPMENT & PLANNING AUTHORITY**

PROPOSAL FOR PROVISIONS TO ADDRESS LAND WHICH IS AFFECTING THE AMENITY  
OF AN AREA

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

18<sup>th</sup> October, 2022

Dear Sir

**1 Executive Summary**

- 1.1 Section 46 of the Land Planning and Development (Guernsey) Law, 2005 (the "2005 Law") provides that the States may provide by Ordinance for the control of the use of land or any activity or omission in relation to land where it considers it expedient to do so. This provision expressly includes a power to control matters connected with the impairment of amenity in any locality including land in an unsightly condition. "Land" includes buildings<sup>1</sup>. The Development & Planning Authority (D&PA) believes that it is expedient for the States to enact such an Ordinance now, to provide powers which are largely absent to enable the D&PA to tackle known eyesores in our urban centres and rural areas and thereby to support the Government Work Plan. Current available or proposed powers are focussed on other issues such as preserving protected buildings, illegal dumping of waste or housing standards which do not address many eyesore sites.
- 1.2 Examples of matters that could be addressed through powers provided by an Ordinance under section 46 include derelict premises in Town or unsightly redundant visitor accommodation establishments. Such powers would also play an important part in securing revitalisation and acting as a deterrent to prevent the future creation of eyesores through allowing dereliction and neglect.
- 1.3 The D&PA consulted with Island Douzaines in 2018 and the overall response was

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<sup>1</sup> See the definition of "land" in the Schedule to the Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016.



supportive, with several problem areas identified by Douzaines which could be tackled under the proposed Ordinance. Some Douzaines identified possible opportunity for involvement at a Parish level to assist with the removal or remediation of eyesores.

1.4 Further consultation with the Island's Douzaines was undertaken in September, 2022 on the draft proposals contained in this policy letter. The D&PA has consulted with the Policy & Resources Committee, and with the Committee *for the Environment & Infrastructure* in relation to matters relevant to appeal procedures and the relationship of the proposals with environmental health policy and legislation. In relation to the latter, the proposals have been shared with the Committee *for Health & Social Care*.

1.5 The main provisions of an Ordinance under section 46 would relate to:

- Powers for the D&PA to serve civil notices (similar to planning enforcement Compliance Notices) on the owner and occupier of land in circumstances where it appears to the D&PA that the amenity of the area is adversely affected by the condition of that land, and to require the carrying out of steps for remedying the condition of the land as specified in the notice and within a specified period;
- provision for an offence to be committed in the event of non-compliance with any requirement of the notice and related penalties and procedures;
- Provision for a right of appeal against a notice to the Planning Tribunal for the person on whom the notice is served, to be brought within 28 days of service of the notice, on specified grounds;
- Powers for the D&PA in the event of non-compliance with the notice, to enter the land and undertake the work specified in the notice, and to recover its reasonable costs in doing so from the owner of the land;
- Provision for a register of notices and appeals.

1.6 Similar powers to those proposed already exist in England and Wales under section 215 of the Town and Country Planning Act 1990, in Jersey under the Planning and Building (Jersey) Law 2002, and, within the Bailiwick, in sections 18 and 19 of the Building and Development Control (Alderney) Law, 2002; these include civil notice powers for the taking of action in relation to unsightly things on land or certain movable structures, such as caravans, and for the carrying out of works in respect of dangerous or derelict land or certain movable structures.

1.7 The D&PA believes that expenditure and ongoing resourcing requirements to operate the proposed system will be minimal in the context of the existing work of the D&PA and the Planning Panel, and that opportunities for savings benefits to the States exist through tackling eyesore cases early through the proposed powers. Although there could be costs to the States in the event of non-

compliance with a notice, it should be possible to minimise States' expenditure in the rare event that direct action is required to resolve a significant impairment of amenity, for example by using States' controlled labour, and using established cost-recovery mechanisms.

## **2 Background**

2.1 Section 46 of the Land Planning and Development (Guernsey) Law, 2005 (the "2005 Law") states that the States may provide, by Ordinance, for the control of the use of land or any activity or omission in relation to land where it considers it expedient to do so. References to "land" under the 2005 Law include buildings<sup>2</sup>. This provision expressly includes a power to control matters connected with the impairment of amenity in any locality, including –

- the disposal of rubbish,
- the abandonment of any vehicle, substance or any other thing on any land,
- the presence of any dilapidated or ruinous buildings,
- land in an unsightly condition,
- the placing of caravans on land,
- the removal of turf, topsoil or sand from any agricultural land,
- the placing or removal of glasshouses on land and their use,
- the protection and preservation of cliff paths.

2.2 Amenity is understood as referring to the pleasantness of a place. The term is usually not defined in legislation as there is case law on its meaning. The Royal Court would have particular regard to any local case law and is likely to have regard to any English case law on similarly worded legislation. English case law has interpreted it as pleasant circumstances, features or advantages including appearance and layout. This meaning is reflected in the Island Development Plan where it means the "feel" of a place in terms of it being pleasant or agreeable including the visual pleasantness of a place or area (IDP Glossary, 2016).

2.3 The States approved the proposals of the former Island Development Committee (IDC) relating to review of the Island Development (Guernsey) Laws, 1966-90 in June 2002 (Billet d'État No. XI of 2002). The IDC's policy letter referred at paragraph 3.4.6 to Chapter 6: "Other Controls" of the proposed Land Planning and Development (Guernsey) Law, 2005 (the "2005 Law"), stating that:

"It is proposed to make provision for the IDC to control certain uses of land and activities that are the cause of nuisance or impairment of amenity. The detail of

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<sup>2</sup> See the definition of "land" in the Schedule to the Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016.

how these powers would be used would be dealt with by Ordinance. This Ordinance will not be brought forward as part of the current package.” [This being the package of Ordinances that was required immediately for the bringing into effect of the 2005 Law which subsequently came into effect in 2009.]

- 2.4 In 2018, the D&PA expressed interest in introducing an Ordinance under section 46 of the 2005 Law. Consultation was undertaken with all the Island’s Douzaines at that time, the responses to which indicated general support for the proposal. Further detail of the consultation undertaken is set out in paragraph 4.1 to this policy letter. Proposals were however not progressed to a conclusion at that time, due to other legislative and policy priorities for the D&PA.

### **3 The current position**

- 3.1 In developing its current priorities having regard to the Government Work Plan, the D&PA believes that it is important to introduce an Ordinance under section 46 of the 2005 Law now. Spatial planning is a key enabler in implementation of the Government Work Plan, in terms of helping to deliver actions to support the States’ priorities. Part of this role is in helping to make best and most efficient use of our existing Island resources, which includes the intrinsic attractiveness of our towns and countryside to Islanders, visitors and potential investors.
- 3.2 For example, Town regeneration and revitalisation is a key theme of the Government Work Plan. As well as having produced a Development Framework for three Regeneration Areas in St Peter Port, the D&PA is taking an active role in several initiatives designed to promote and facilitate regeneration of our Main Centres. In this context, introducing legislation to address untidy sites and derelict buildings will play an important part in securing revitalisation and disincentivising further dereliction of sites and buildings in our towns.
- 3.3 Likewise, outside of the Main Centres, an Ordinance under section 46 of the 2005 Law will also provide the D&PA with the tools necessary to tackle a number of eyesore sites which are a blot on an otherwise attractive rural landscape, such as derelict or dilapidated redundant visitor accommodation establishments or where land is in an unsightly state (e.g. due to the presence of large numbers of dilapidated vehicles on site). Such cases may be relatively limited, but they do have a disproportionately significant impact on the attractiveness, and ultimately the reputation, of our Island.
- 3.4 There are existing legislative provisions which deal with specific problems which can affect amenity or create an eyesore. However, none deal with unsightly land in a comprehensive way and they are primarily directed at issues other than amenity. A summary of relevant legislation is included in Appendix A to this policy letter. The D&PA currently has no comprehensive powers which can be used effectively to resolve such problems. It is therefore necessary for an

Ordinance to be introduced under section 46 to do so, as was envisaged when the 2005 Law was approved by the States in 2002.

- 3.5 For these reasons, the D&PA has agreed that it is a high priority to bring forward this policy letter for consideration by the States.

#### **4 Consultation undertaken**

- 4.1 As noted above, in 2018 during the last term of Government the D&PA undertook consultation with the Island's Douzaines on initial proposals for an Ordinance under section 46 of the 2005 Law. In the main, the responses received were positive and endorsed the principle of such an Ordinance. Several problem areas where amenity was being impaired were identified by Parish authorities which they considered could be addressed by the proposed Ordinance, most notably redundant hotel sites and abandoned vehicles. Some Douzaines also identified the possible opportunity for involvement at a Parish level to assist in the removal or remediation of the eyesore in question.
- 4.2 A media article was also published in June, 2018 concerning this matter. In response, two emails were received from members of the public. One correspondent expressed concern about the potential for "tidying" of sites which provide valuable ecological habitats, and suggested that the Ordinance should be worded to focus on "addressing instances in which man-made objects and derelict structures are on land in a state contrary to public amenity and the natural environment". The other representor was concerned that the proposed powers could be interpreted in a subjective and judgemental way by singling out particular sites, and that if applied to derelict greenhouses could remove opportunities for small-holding type growing and negatively impact wildlife.
- 4.3 Further consultation with the Island's Douzaines was undertaken in September, 2022 on the draft proposals contained in this policy letter. Responses were received from the Constables of the Vale, Castel, St Saviour and St Sampson. Copies of the letters received from these Parishes are included in Appendix B to this policy letter. The responses were generally supportive and included helpful comments concerning the scope of the proposals. All comments received have been considered carefully by the D&PA when bringing these proposals before the States.
- 4.4 The D&PA has consulted with the Policy & Resources Committee, and with the Committee *for the* Environment & Infrastructure in relation to matters relevant to appeal procedures and the relationship of the proposals with environmental health policy and legislation. In relation to the latter, the proposals have been shared with the Committee *for* Health & Social Care. Copies of the letters of response from the Policy & Resources Committee and the Committee *for the* Environment & Infrastructure are included in Appendix C to this policy letter. The

matters raised have been addressed by the D&PA within the proposals set out in this policy letter.

## **5 Key aspects of an Ordinance under section 46**

- 5.1 Notwithstanding the intentionally relatively broad scope of section 46 of the 2005 Law, the D&PA proposes that an Ordinance under section 46 should be constructed to provide powers that will be effective in addressing known issues of blight on amenity such as those raised by the Island's Douzaines and arising from dereliction within areas of our Town; these would be exercised in a proportionate way addressing the particular circumstances of a site.
- 5.2 The D&PA also believes that the introduction of an Ordinance under section 46 of the 2005 Law would act as a deterrent to prevent the future creation of eyesores through dereliction and neglect. A similar powerful deterrent effect has been seen with the introduction of the High Hedges legislation in 2017.
- 5.3 The D&PA has decided not to include within this policy letter provisions specifically enabling application of the Ordinance powers to the remains of glasshouses and related structures situated on redundant glasshouse sites as defined in paragraph 3 of Supplementary Planning Guidance: Defining Redundant Glasshouse Sites, 2018 (the SPG). It is considered that it would be excessive and disproportionate to apply the notice powers to such glasshouse sites in view of other measures that exist under the Planning Law and the Island Development Plan to encourage removal of such redundant glasshouses and because issues connected with redundant glasshouse sites generally go well beyond the scope of spatial land use planning or effects on amenity. However, the Ordinance would enable redundant glasshouse sites to be tackled where they are being used for purposes other than agriculture and which detract from amenity, such as by disposing of items on site.
- 5.4 For the avoidance of doubt, and having regard to matters raised by Parish authorities through consultation, the proposed powers would not apply to the removal of turf from agricultural land.
- 5.5 To avoid an undesirable situation occurring where one States' Committee is issuing a civil notice against another, the D&PA proposes to include within the Ordinance an exemption from the provisions being used against the States themselves or individual Committees in respect of States' owned or occupied land. However, the option of acting against tenants of States land would remain. In proposing such an exemption, and having regard to matters raised by Parish authorities through consultation, the D&PA believes that it is incumbent on the States to maintain its land in a suitable manner that would not otherwise give rise to action under the proposed Ordinance. This approach would also be consistent with the current situation for land planning compliance notices as the

enforcement part of the 2005 Law does not apply to the States and States' Committees.

5.6 Consequently, the D&PA proposes that an Ordinance under section 46 should include the following main provisions which are similar to those in section 215 of the Town and Country Planning Act 1990 in England and Wales:

- Powers for the D&PA to serve civil notices (similar to planning enforcement Compliance Notices) on the owner and occupier of land in circumstances where it appears to the D&PA that the amenity of the area is adversely affected by the condition of that land;
- Powers to require within the notice the carrying out of such steps for remedying the condition of the land as may be specified in the notice and the period for taking those steps;
- Confirmation that the notice would take effect at the end of a period to be specified in the notice, this being not less than 28 days after the service of the notice;
- Provision for an offence to be committed, in the event of non-compliance, by any owner or occupier on whom the notice was served and by every person who is the owner of the land after the expiry of the compliance period and whilst the non-compliance continues, and related penalties and procedures. The intention is to have similar offence provisions to those in comparable UK legislation but adapted to correspond to existing Guernsey planning enforcement provisions;
- Provision for a right of appeal against a notice to the Planning Tribunal, for the person on whom the notice is served, to be brought within 28 days of service of the notice, on specified grounds including that: –
  - the condition of the land does not adversely affect the amenity of the area,
  - the condition of the land is attributable to and results in the ordinary course of events from the carrying out of lawful operations on the land which are not a breach of planning control; the intention is that this ground would not cover a situation where the unsightly state of the land was not the ordinary result of a lawful use,
  - the requirements of the notice are excessive,
  - the period specified is unreasonable,
  - the issue of the notice is (for any other reason) ultra vires or unreasonable;
- Powers for the D&PA in the event of non-compliance with the notice, to enter the land and undertake the work specified in the notice, and to recover its reasonable costs in doing so from the owner of the land, including, on application to the Royal Court, via a statutory charge on the land and/or through the sale of any items of value recovered from the land similar to the current provisions in sections 50 and 55 of the 2005 Law;

- Provision for a register of notices and appeals. Notices would be disclosed on responding to an application for an Immunity Certificate.
- 5.7 The Ordinance may provide for details of the above provisions to be contained in Regulations.
- 5.8 Examples of where the proposed powers under section 46 might be used, proportionately, by the D&PA include the following:
- A requirement to maintain, refurbish or rebuild derelict premises in Town, to improve the appearance of the site such that it no longer adversely affects the amenity of the street concerned;
  - Similarly, a requirement to undertake works to improve the appearance of a visitor accommodation establishment which is derelict having been unused for several years. Such works could include demolition of derelict structures;
  - A requirement to remove a large number of unsightly, dilapidated, vehicles from private land.
- 5.9 The process under the proposed Ordinance would generally commence by notifying the site owner and/or occupier that the D&PA was contemplating service of a Notice and inviting them to undertake the necessary works. If this informal approach was not successful, then a formal Notice could be served, specifying the works required and a timescale for completing them. This would be similar to a Compliance Notice or a Preservation Notice, both of which are currently used by the D&PA under legal powers contained within Part V of the 2005 Law and section 7 of the Land Planning and Development (Special Controls) Ordinance, 2007 respectively.
- 5.10 Within the Planning Compliance process, most cases are resolved through informal means whereby owners comply voluntarily with initial informal written approaches. Where this is not achieved, and cases proceed to service of Compliance Notice, most notices are complied with. Very few notices are appealed (three in 2018, three in 2019 and one in 2020) and even fewer cases proceed to prosecution (one in 2018, one in 2019 and four in 2020). No compliance cases to date have resulted in direct action by the D&PA to undertake the work itself.
- 5.11 In exercising the proposed powers, care would be taken by the D&PA to ensure that it did so in an objective and consistent way, but having regard to the particular facts of the case, and that any relevant issues were considered including relating to impact on ecology or wildlife. Consideration would also be given to circumstances where Building Control approval or planning permission might be required for remedial or maintenance works.

## **6 Existing similar legislation elsewhere**

- 6.1 Similar powers to those described in section 46 of the 2005 Law exist in England and Wales under section 215 of the Town and Country Planning Act, 1990 (Power to require proper maintenance of land). This section gives English and Welsh Local Planning Authorities a power to serve a notice on an owner and occupier of land, requiring steps to be taken for remedying the condition, if it appears to it that the amenity of a part of their area, is adversely affected by the condition of land; an equivalent section has been in place in England and Wales since 1971 although the original section was narrower in scope. There are also broadly similar provisions in the Planning and Building (Jersey) Law, 2002, in particular in Part 6, chapter 6 of that Law. Within the Bailiwick, the Building and Development Control (Alderney) Law, 2002 includes civil notice powers in sections 18 and 19 for the taking of action in relation to unsightly things on land or certain movable structures, such as caravans, and the carrying out of works in respect of dangerous or derelict land or certain movable structures.
- 6.2 In relation to the practical application of the proposed powers, the 2005 guidance from the former UK Office of the Deputy Prime Minister entitled “Town and Country Planning Act 1990 Section 215 – Best Practice Guidance”, contained in Appendix D to this policy letter, is helpful in illustrating how the proposed powers, which will be very similar to those under section 215 of the Town and Country Planning Act in England and Wales, may be used and the benefits that they can bring in terms of environmental enhancement and regeneration.

## **7 Resource implications**

- 7.1 It is recognised that there will be a resource requirement for the D&PA and the Planning Panel in adding further, different civil notice powers and appeals provisions on amenity issues. Administering even a relatively restricted regime applying only to a few cases a year will require input of time and resources especially to implement the new provisions.
- 7.2 However, the D&PA believes that expenditure and ongoing resourcing requirements to operate the proposed system will be minimal in the context of the existing work of the D&PA and the Planning Panel and so can be met from its existing budget. The D&PA also believes that savings benefits will accrue from the ability to act through the service of a notice at an early stage, and from the deterrent effect which should prevent future cases.
- 7.3 In the event of non-compliance with the civil notice, powers are proposed to enter the land and undertake the works, which would also introduce costs for the States that could be significant. However, powers are also proposed to recover those costs. Furthermore, it should be possible to minimise States’ expenditure in the rare event that direct action is required to resolve a significant



impairment of amenity, for example by using States' controlled labour, and using established cost-recovery mechanisms.

## **8 Conclusion**

- 8.1 The D&PA believes that the introduction of an Ordinance under section 46 is important currently to support the Government Work Plan, particularly in respect of enabling opportunities for regeneration and revitalisation of the Regeneration Areas in St Peter Port, and to provide powers which are currently absent in order to enable the States to tackle eyesores in our urban and rural areas. Such powers will play an important part in securing revitalisation and acting as a deterrent to prevent the creation of future eyesores.

## **9 Compliance with Rule 4**

- 9.1 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.
- 9.2 In accordance with Rule 4(1)(a), the Propositions above contribute to the States' objectives within the Government Work Plan 2021-2025 by assisting regeneration and supporting environmental enhancement which in turn will assist the Island's economy.
- 9.3 In accordance with Rule 4(1)(b), consultation with other Committees and relevant stakeholders has been carried out as described in section 4 to this Policy Letter.
- 9.4 In accordance with Rule 4(1)(c), the Propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- 9.5 In accordance with Rule 4(1)(d), the Propositions would of themselves have no direct financial implications to the States. The costs of administration of the proposed Ordinance would be minimal and would be met by the D&PA within its existing budget. In the event of non-compliance with a notice under the Ordinance, which would be a criminal offence, the D&PA would carefully consider the costs and benefits of entering the land and undertaking the work specified in the notice, and would be able to recover its reasonable costs in doing so from the owner or occupier of the land, including via a statutory charge on the land and/or through the sale of any items of value recovered from the land.
- 9.6 In accordance with Rule 4(2)(a), the Propositions are relevant to the duties of the D&PA in respect of land use and planning, and its duties under the Land Planning and Development (Guernsey) Law, 2005, as amended.

9.7 In accordance with Rule 4(2)(b), it is confirmed that the propositions above have the majority support of the D&PA. Please note that Deputy Taylor does not support the propositions.

Yours faithfully

V S Oliver  
President

A W Taylor  
Vice-President

J F Dyke  
A Kazantseva-Miller  
R C Murray

**APPENDIX A**  
**List of Related Legislation**

- a. **Preservation notices under section 7 of the Land Planning and Development (Special Controls) Ordinance, 2007** - to preserve or protect or prevent the deterioration of a protected building;
- b. **Litter and waste licensing legislation where eyesore is caused by litter/dumping** - dropping of litter on land in the open air and available for public use where not done with authority of occupier/other person having control of site and wrongful use of litter bins - offences under sections 2 and 3 of the Refuse Disposal Ordinance, 1959;
- c. **Loi relative a la Sante Publique, 1934 and Public Health Ordinance under it** - the definition of nuisance includes “premises in such a state as to be either a nuisance or prejudicial to health or any accumulation or deposit which is either a nuisance or prejudicial to health”;
- d. **Prohibitions relating to unlicensed deposit of waste on land, other than household waste disposed of within curtilage of dwelling in which it was produced, under section 21 of the Environmental Pollution (Waste Control and Disposal) Ordinance, 2010** - this is the main fly-tipping offence so is only relevant to unsightly land;
- e. **Loi ayant rapport à la Réparation ou la Démolition de Murs, Fossés, Maisons et Bâtiments qui sont dans un état dangereux of 1919** - gives powers to the Douzaines and Constables of a Parish in relation to buildings which are a danger to persons in the vicinity; the owner can be required to return the property to a safe state and the Parish can apply to the Royal Court to demolish the building;
- f. **The Clearance of Ruins (Guernsey) Law, 1957** - the D&PA can require the demolition of a building in a ruinous condition and clearance of the land; and
- g. **The Housing (Standards and Regulation) (Enabling Provisions) (Guernsey) Law, 2021** - This is an enabling Law to address poor quality housing, approved by the States on 13<sup>th</sup> October, 2021 and which received Royal Assent in July, 2022 but which is not yet in force; it makes provision for minimum habitable standards, primarily through the regulation of the private rented sector.

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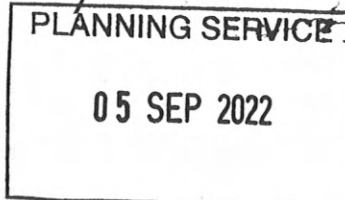
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**APPENDIX B**

**Copy of letters received from the Constables of the Vale, Castel, St Saviour and St  
Sampson Parishes**



## *Constables of the Vale*



*Douxaine Room,  
Maraitaine Road,  
Vale, Guernsey,  
GY3 5QE.*

*Tel: 01481 244155*

*Email: [info@valeparish.gg](mailto:info@valeparish.gg)*

Deputy V Oliver  
Development and Planning Authority  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
Guernsey GY1 1FH

2<sup>nd</sup> September 2022

Dear Deputy Oliver,

Thank you for giving the Constables and Douzaine the opportunity to comment on the “proposal for provision to address land which is affecting the amenity of the area”.

The Constables and Douzaine of the Vale are fully supportive of this proposal which is much needed concerning fly tipping and abandoned vehicles.

The above mentioned sincerely hope that these proposals will include all land owned under the control of the various States committees. In the experience of the Constables of the Vale all of the reports and complaints regarding fly tipping and abandoned vehicles take place on land deemed to be public and therefore under the direct control of a States Committee. The truck in the Vale Castel car park being a case in point, where neither the Police nor Crown Officers are willing to act under existing legislation.

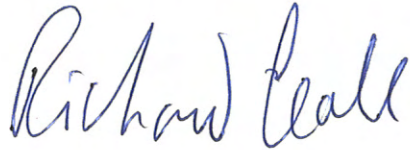
Therefore, introducing additional legislation is in the Constables and Douzaine of the Vale’s view necessary to curb and prevent these sorts of incidents. When people see rubbish piling up, they are more than happy to, it appears, add to it without fear of prosecution.

The section re dwellings being allowed to go to wrack and ruin is also most welcome as the parish has numerous properties that this applies to and despite our best efforts over the years, we have been unable to resolve these incidents.

Therefore, the Constables and Douzaine of the Vale have no hesitation in supporting the Development and Planning Authority's proposals.

Yours sincerely,

Richard Leale  
Senior Constable.

A handwritten signature in blue ink, reading "Richard Leale". The signature is written in a cursive style with a large initial 'R' and a long, sweeping underline.



PLANNING SERVICE

13 SEP 2022

Deputy Victoria Oliver  
President  
Development & Planning Authority  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
GY1 1 FH

9<sup>th</sup> September 2022

**PROPOSAL FOR PROVISIONS TO ADDRESS LAND WHICH IS AFFECTING THE AMENITY OF AN AREA**

Dear *Victoria*

The Castel Douzaine are grateful to have been invited to comment on the DPA's proposal to tackle known eyesores in various areas of the island and are in broad agreement with the detail contained in the Policy.

The tools to deal with land that affects the amenity of the area are paramount and to be applauded. However, we note that certain redundant glasshouse sites are to be excluded from the Ordinance on the basis that existing powers exist that should suffice to deal with such problems. We would therefore ask the following:

- a) what constitutes these 'certain glasshouses'?
- b) who decides on the classification?
- c) how many actions have been instituted under the existing powers alluded to in 5.3

We would also refer to condition 2.1 where mention is made of the removal of turf from any agricultural land. Whilst we understand that it is not desirable to continually remove turf from land as eventually the top-soil would be depleted, with the land then lost to agriculture. We would suggest that provision be made for turf to be considered a crop, and provided the producer replaced the loamy top layer taken with the turf, no problem should exist. We raise this point because it would be beneficial for a local producer of turf to provide this commodity, reducing the need to import.



We fully support the aim of regeneration and environmental enhancement both in our parish and other parts of our island, we are also encouraged that if the Policy Letter is approved, the DPA will have the power to serve civil notices to landowners where amenities are adversely affected by the condition of their land.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David', with a stylized flourish extending from the end.

David Ozanne  
Dean of the Douzaine



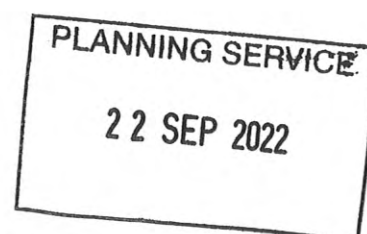
PAROISSE DE



SAINT SAUVEUR

Constables' Office, St Saviour's Community Centre, Le Neuf Chemin,  
St Saviour, Guernsey GY7 9FG  
Telephone; - 01481 263414  
[constables@stsaviours.gg](mailto:constables@stsaviours.gg)  
[www.stsaviours.gg](http://www.stsaviours.gg)

Deputy Victoria Oliver  
President, Development and Planning Authority  
States of Guernsey Planning Service  
Sir Charles Frossard House  
St Peter Port  
Guernsey, GY1 FH



20<sup>TH</sup> September 2022

Dear Deputy Oliver

**Proposal for provisions to address land which is affecting the amenity of an area**

Thank you for your letter dated 18<sup>th</sup> August 2022 concerning the above. We would firstly like to thank you for the opportunity to express our views on the proposal.

Having read through the draft policy letter please see below our views:

1. The Douzaine would like to be approached PRIOR to civil notices being served on owners and occupiers of land within our parish in areas which have been identified. We would also like to have a continuous involvement in each case.
2. It is noted that redundant glasshouses and relevant structures are not covered by this proposal as they are covered under their own legislation. However, it is felt that this current legislation concerning glasshouses has not been used to eradicate the various eyesores around the island so therefore is it necessary to exclude from the new proposal?
3. In respect to abandoned vehicles, when this takes place on private land it is difficult for the landowner to contact the registered owner due to data protection. Has consideration been given to how information may be shared to enable the process of removal of abandoned vehicles from private land easier and at no cost to the landowner?
4. The Douzaine is concerned that in some cases the landowner may not have the means and circumstances to carry out steps for remedying the condition of the land as would be specified in the notice and within the specified time period. Has the States considered giving financial support, if necessary, in these cases? We are also concerned that a charge may be taken over the land to recover any expenditure incurred to clear the area. It is therefore important that Point 1 is put in place as the procedure outlined in 5.4 could cause unnecessary stress to parishioners if they do not have the means to sort the areas which are identified.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Connolly'.  
Paul Connolly  
Constable



***The Constables of St. Sampson***

Chambre de la Douzaine  
Le Murier  
St. Sampson  
Guernsey  
GY2 4HQ  
Tel: (01481) 244130  
constables@stsampson.gg

PLANNING SERVICE

- 6 OCT 2022

Deputy V Oliver  
President  
Development & Planning Authority  
The Planning Service  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
GY1 1FH

**BY POST & EMAIL: [planning@gov.gg](mailto:planning@gov.gg)**

3 October 2022

Dear Deputy Oliver

**Re: Proposal to address land which is affecting the amenity of an area**

St Sampson Douzaine thank you for the opportunity to comment on the above proposal.

The general view was that it is a move in the right direction and to be welcomed but we do have certain reservations.

1. Why are vineries not included, which are much of what one might call the ugly side of the island and impose many dangers? These can be separated into four main areas:
  - a) The structural dangers, as many properties appear to be held up by the brambles and other vegetation plus old machinery, boilers and vehicles left within the property.
  - b) The danger of glass collapsing and injuring people, especially children, if people illegally enter the properties.
  - c) The vermin which inhabit the properties, especially when the space is filled with brambles and other growth. These can be a nuisance to neighbours and spread disease.
  - d) The dangers of land contamination and human health from asbestos insulation to piping and old boilers plus the lead paint and preservatives that many of the older wooden framed buildings would have been treated with.

Glasshouses and vineries are a major issue and although we appreciate that costs to demolish might be significant that should not be an excuse to ignore the eyesores that they are or the significant dangers they can pose.

2. Will the Crown and States of Guernsey be covered by the same rules and regulations? An example is that currently land owned or managed by the States, are major areas of concern regarding obnoxious plants, especially Japanese knotweed and ragwort. Both are not being

currently dealt with in a timely manner and are slowly spreading throughout the Island. Why should other landowners suffer because the States will not control a plant that should be by current legislation?

3. How will the Development & Planning Authority police the new proposal and ensure that it is applied fairly and consistently? We are concerned that having an abandoned car removed is not the same as having a building/land being made presentable, whatever presentable might mean.
4. If an islander claims that they cannot afford to undertake what is requested, what will happen, does the States of Guernsey go to court to recover monies spent for undertaking the works themselves? For a car perhaps not too greater cost but making a building 'presentable' could leave the States (taxpayer) with a sizable bill which the offender will not be able to pay.

We hope that you find our comments constructive and will take due regard of them.

Yours sincerely



P R Le Pelley



L A Le Tissier  
**Constables of St Sampson**

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**APPENDIX C**

**Copy of letters received from the Policy & Resources Committee and the Committee  
*for the Environment & Infrastructure***





## Policy & Resources Committee

Sir Charles Frossard House  
La Charroterie  
St Peter Port  
GUERNSEY  
GY1 1FH  
+44 (0) 1481 227000  
[www.gov.gg](http://www.gov.gg)

Deputy V Oliver  
President  
Development & Planning Authority  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
GUERNSEY  
GY1 1FH

### By email

9 August 2022

Dear Deputy Oliver

### **PROPOSAL FOR PROVISIONS TO ADDRESS LAND WHICH IS AFFECTING THE AMENITY OF AN AREA**

Thank you for your letter of 12<sup>th</sup> July inviting the Committee to consider the draft Propositions and supporting policy letter setting out recommendations for new land planning legislation to tackle known eyesores in the Island's urban centres and rural areas.

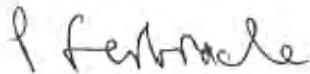
In considering the policy proposals, the Committee has been furnished with supplementary best practice guidance from the UK Office of the Deputy Prime Minister entitled *Town and Country Planning Act 1990 Section 215 – Best Practice Guidance*. It was helpful in illustrating in a practical way how the proposed powers may be used, which the Committee has been advised will be very similar to those under section 215 of the Town and Country Planning Act in the UK, and in particular the contribution that they can make to regeneration and environmental enhancement. As is generally the case with planning matters, it is presumed that similar Guernsey Planning Guidance will be available for Islanders.

The Committee was interested to understand the potential impact and risks for government assets and understands from officer discussions that the Authority's legal adviser is of the view that consistent with section 76 of the 2005 Law, and to avoid a situation where one States' Committee is issuing a civil notice against another, the policy and resulting provisions for the new amenity civil notices should provide for an exemption/disapplication/modification against the States themselves/individual committees in respect of States' owned or occupied land.

There are, it is understood, relevant powers in sections 46(2), 76(5) and 89 of the 2005 Law that would allow an appropriate exemption to be made which the Committee would ask that the Authority acts on positively in this policy letter in order to bring the situation beyond doubt.

In summary, and subject to the express exception with respect to the States of Guernsey, the Committee welcomes the introduction of powers that it understands are not uncommon in many jurisdictions. It is confident that the community will welcome action with respect to derelict premises in Town or unsightly redundant visitor accommodation and establishments. Such powers, effectively directed, should play an important part in securing the revitalisation and regeneration that the Government Work Plan envisages, just as the Authority has set out in its policy letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P Ferbrache', written in a cursive style.

**Deputy Peter Ferbrache**  
**President**



Committee *for the*  
Environment & Infrastructure

Sir Charles Frossard House  
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environmentandinfrastructure@gov.gg  
www.gov.gg

President  
Development & Planning Authority  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
Guernsey  
GY1 1FH

2 September 2022

Dear Deputy Oliver

**PROPOSAL FOR PROVISIONS TO ADDRESS LAND WHICH IS AFFECTING THE AMENITY OF AN AREA**

Thank you for the opportunity to comment on your proposed Policy Letter regarding the above.

As you kindly pointed out in your letter of July 12 this has impact relating to the Committee's areas of mandate in Environmental Health and in the administration of the Planning Panel.

As such I have sought advice from officers working in those areas.

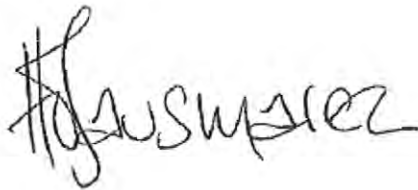
The Secretary of the Planning Panel has noted that resourcing implications are considered in the draft Policy Letter and has added one further comment in relation to section 5.4 (list of grounds of appeal) which I would like to bring to your attention. She said "It has recently been noted by the Planning Panel that a ground which appears in most other relevant legislation is missing from the High Hedge legislation ["the issue of the notice was (for any other reason) ultra vires or unreasonable"] and this has impacted on a recent case."

In terms of Environmental Health, the Director of Environmental Health and Pollution Regulation is supportive of the propositions. As noted in the Policy Letter, there is potentially some cross-over in relation to Public Health, waste and housing legislation but this is seen as an additional tool to address the problem rather than a duplication of legislation, especially as the scope of the proposed legislation goes beyond existing powers. From an operational perspective, the Committee would need to ensure that there is not duplication of actions or conflicting instructions on a land owner but this is not

different to other existing situations and can be managed through basic officer communication.

In terms of abandoned vehicles, the Committee would like further clarification on what definition the Authority intends to use; a clear definition at this stage could prevent future ambiguity impacting the effectiveness of the proposed legislation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lindsay De Sausmarez', written in a cursive style.

**Deputy Lindsay De Sausmarez**  
President  
Committee *for the* Environment & Infrastructure



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## **APPENDIX D**

**Copy of Office of the Deputy Prime Minister publication – Town & Country Planning  
Act 1990 Section 215 – Best Practice Guidance**



Office of the  
Deputy Prime Minister  

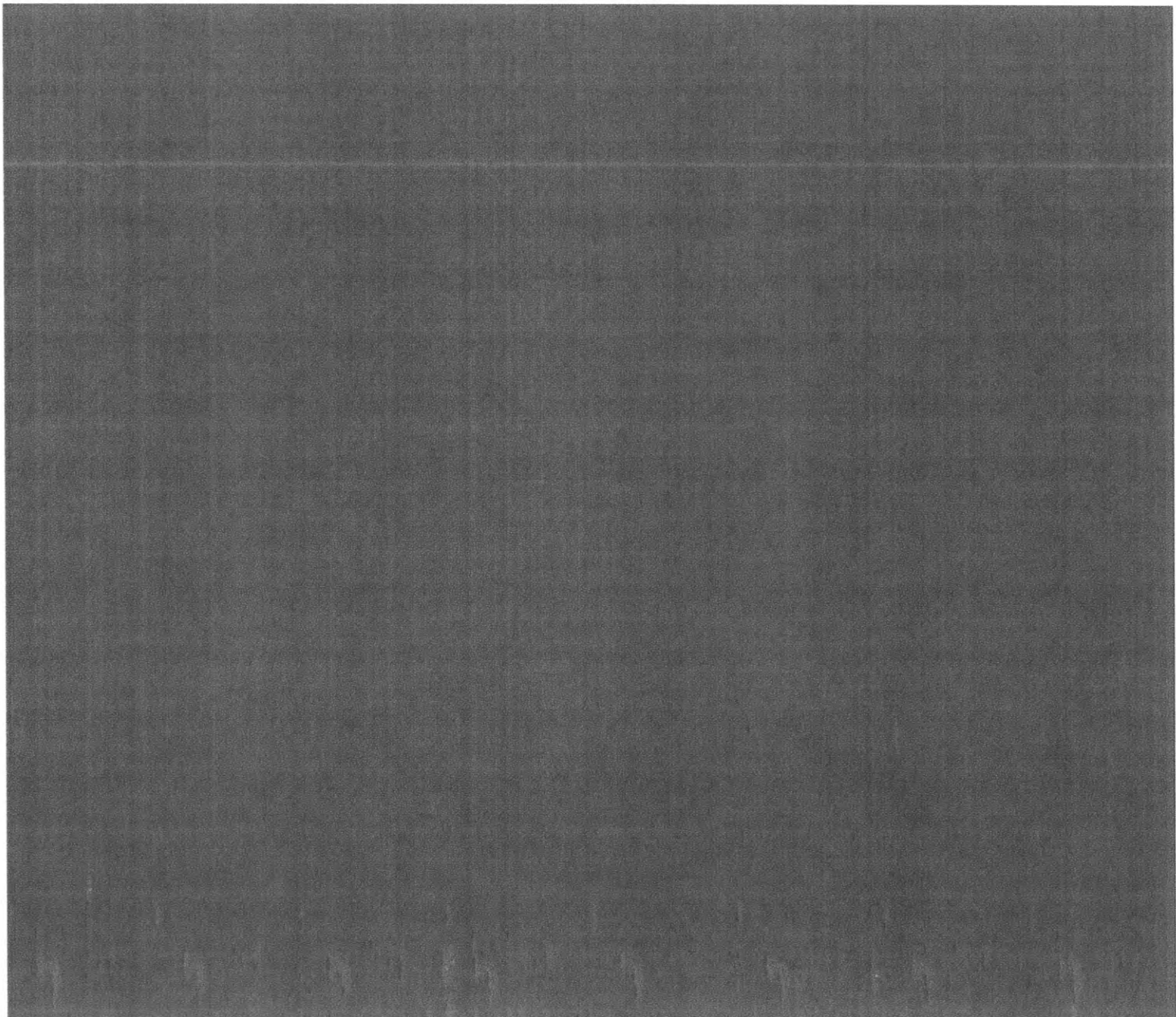
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Creating sustainable communities

# Town and Country Planning Act 1990

## Section 215

### Best Practice Guidance





Office of the  
Deputy Prime Minister  
Creating sustainable communities

# Town and Country Planning Act 1990 Section 215 Best Practice Guidance

January 2005

Office of the Deputy Prime Minister: London

Following the reorganisation of the government in May 2002, the responsibilities of the former Department of the Environment, Transport and the Regions (DETR) and latterly Department for Transport, Local Government and the Regions (DTLR) in this area were transferred to the Office of the Deputy Prime Minister.

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# CONTENTS

<b>INTRODUCTION</b>	5
Research findings	6
Regeneration	6
Scope of power	7
Definition of 'amenity'	8
Pre-notice discussion and ensuing timescales	8
Publicity and the 'ripple' effect	9
Issuing a s215 notice	9
Appeals	10
Human Rights Act	10
Prosecution versus direct action works in default	11
Cost recovery	11
Further information	12
Acknowledgements	12
 <b>CASE STUDIES</b>	 13
 <b>ANNEX A</b>	 21
 <b>ANNEX B</b>	 22
 <b>ANNEX C</b>	 25
 <b>ANNEX D</b>	 28
 <b>ANNEX E</b>	 30
 <b>ANNEX F</b>	 32

# Introduction

Section 215 (s215) of the Town & Country Planning Act 1990 (the Act) provides a local planning authority (LPA) with the power, in certain circumstances, to take steps requiring land to be cleaned up when its condition adversely affects the amenity of the area. If it appears that the amenity of part of their area is being adversely affected by the condition of neighbouring land and buildings, they may serve a notice on the owner requiring that the situation be remedied. These notices set out the steps that need to be taken, and the time within which they must be carried out. LPAs also have powers under s219 to undertake the clean up works themselves and to recover the costs from the landowner.

The use of s215 by LPAs is discretionary and it is therefore up to the LPA to decide whether a notice under these provisions would be appropriate in a particular case, taking into account all the local circumstances. LPAs will need to consider, for example, the condition of the site, the impact on the surrounding area and the scope of their powers. In some circumstances s215 notices may be used in conjunction with other powers, for example, repair notices in respect of listed buildings or dangerous structure notices.

The most important message that LPAs should be aware of is that s215 action can be taken against land *and* buildings – in s336 of the Act the definition of ‘land’ includes a building.

The planning research report *Derelict Land and Section 215 Powers*, commissioned by the Department of the Environment, Transport and the Regions (DETR), published in September 2000, concluded that there are no fundamental problems with existing legislation. Section 215 and associated powers provide an effective mechanism for tackling unsightly land, both as a ‘threat’ and through the formal serving of a notice and through work in default. However the report concluded that practical examples in the imaginative and effective use of s215 needed to be disseminated to LPAs to encourage greater use of the power. Difficulties in the use of the power seem to arise from infrequent use and lack of experience rather than complexity or lack of scope of the legislation.

Successful s215 action has been both complaint-driven and proactive. It is one of a number of provisions available to LPAs for maintaining and improving the quality of the environment, assisting in tackling dereliction and retaining land in productive use. As such, it can be carried out as a stand-alone process or in partnership with other agencies. Wherever possible, however, action using s215 needs to be combined with proactive measures such as empty homes strategies, development briefs and public/private funding programmes, as well as other reactive enforcement and development control tools (including conditions and legal agreements on planning permission). Through the planning application process and the use of conditions, local authorities can encourage ‘the creation and maintenance of attractive, successful places in which people are happy to live, work and take their leisure.’<sup>1</sup>

<sup>1</sup> DETR, *Places, Streets and Movement: A companion guide to Design Bulletin 32 Residential Roads and Footpaths* (1998)

Section 215 is a relatively straightforward power that can deliver important, tangible and lasting improvements to amenity. For example, in one LPA 157 former eyesores were improved as a result of the direct use or threat of s215 action between April 2000 and April 2004. Section 215 has the potential to contribute to wider regeneration and urban quality objectives and is an important part of the Government's sustainable development strategy. The Urban Task Force (1999) found that 'there is little incentive for private property owners to invest in the quality of their property if they are situated within an urban environment which is of such low quality that it simply sucks value out of their property'.

ODPM recognises that there are many LPAs who are successfully using s215 as a regenerative tool (Doncaster Metropolitan Borough Council and Hastings Borough Council are leading examples) and believe that problems in the use of s215, particularly definitions, would be best addressed through the 'informal' dissemination of information. By issuing Best Practice Guidance, ODPM hopes to encourage closer working and the sharing of experience between LPAs.

## **RESEARCH FINDINGS**

The research commissioned by DETR in 1999 into the use of s215 drew a number of key conclusions and observations:

- Section 215 powers are effective as a threat or informal mechanism for cleaning up sites, around 20% of notices approved in 1998/99 were not served, implying that action was taken by the landowners in the face of the 'threat' of a s215 notice being served.
- Section 215 notices are effective in terms of securing compliance, for example 80% of notices served in 1998/99 resulted in compliance and only 6% were appealed. Only 6-8% of notices resulted in works in default by the authority.
- Experience has shown that authorities that interpret the scope of s215 widely also tend to be more proactive and successful at using the powers to achieve wider regeneration objectives.
- Successful use of s215 for regeneration purposes also coincides with close working arrangements with partner organisations, for example New Deal and urban regeneration bodies, and regular monitoring of the quality of the environment.

## **REGENERATION**

Section 215 powers have a role to play in LPAs' response to the Government's sustainable regeneration agenda. Indeed, several LPAs have successfully demonstrated how s215 action can be used as an integral part of regeneration and built environment improvement programmes. LPAs should not sit back and wait for complaints however. Rather they should be proactive in identifying and taking action against buildings and land, the condition of which are regarded as unsatisfactory. It is also important that LPAs share information and work in co-operation with regeneration, economic development, housing departments and other regeneration agencies as part of a wider strategy of local environment improvement and regeneration.



Section 215 powers are just one of the tools available to LPAs within a package of other measures to be used in conjunction with regeneration initiatives.

## **SCOPE OF POWER**

Section 215 has been effectively used on large vacant industrial sites, town centre street frontages, rural sites, derelict buildings, and semi-complete development as well as the more typical rundown residential properties and overgrown gardens. In certain circumstances, early consideration of the use of s215 could prevent a need for use of s54 of the Planning (Listed Buildings & Conservation Areas) Act 1990 (Urgent Works Notice). LPAs should use s215 powers proactively; they should not just be complaint-led.

LPAs should certainly not be afraid of using s215 powers. LPAs have reported that it is a relatively straightforward power to use and that it can deliver extremely good results. For example in one LPA, of 130 s215 notices served between April 2000 and April 2004 the vast majority resulted in a very high standard of remedial works with prosecution and/or direct action for non-compliance only being required in less than 10% of cases.

Subdivision of fields and woods into small plots for sale, usually over the internet, can lead to unsightly consequences. The buyers may be misled into confidence that, one day, they will be able to carry out works on their 'investment' plots, or change the land-use. Neglect or unlawful works may occur. If this is damaging the landscape or other countryside amenity, action under s215 could be considered.

Another context in which s215 notices may be used successfully is in relation to listed buildings and their setting, and in the enhancement of conservation areas. In one LPA, for instance, s215 action has resulted in improvements being carried out to 41 listed buildings and 104 premises in conservation areas.

The scope of works that can be required in s215 notices is wide and includes planting, clearance, tidying, enclosure, demolition, re-building, external repairs and repainting. In preparing notices it is critical that LPAs ensure that the works specified by a notice do not themselves result in a breach of planning control eg unlawful works to a listed building, or material alterations to premises for which planning permission should be sought.

Potential sites can sometimes go beyond the remit of a s215 notice so there may be other more appropriate powers that an LPA can rely upon in order to effect a remedy, for example:

- ss76-79 of the Building Act for defective premises, dangerous buildings, ruinous and dilapidated buildings and neglected sites;
- s29 of the Local Government (Miscellaneous Provisions) Act 1982 for works on unoccupied buildings;
- ss79-82 of the Environmental Protection Act for abatement or prohibition of a nuisance;



- Listed building legislation such as Repairs and Urgent Works Notices;
- Completion Notices; and
- Compulsory Purchase Orders.

There are many issues associated with buildings and land in disrepair. LPAs are encouraged to work with parties across their council, for example empty homes, environmental health and grant providers, such as town centre management or New Deal bodies.

## DEFINITION OF 'AMENITY'

'Amenity' is a broad concept and not formally defined in the legislation or procedural guidance, ie it is a matter of fact and degree and, certainly common sense. Each case will be different and what would not be considered amenity in one part of an LPA's area might well be considered so in another. LPAs will therefore need to consider the condition of the site, the impact on the surrounding area and the scope of their powers in tackling the problem before they decide to issue a notice. LPAs should not be excessively concerned with producing an overly technical definition of 'amenity' though. Experience has shown that where a notice is appealed or a prosecution is pursued, a clear and well-presented case will usually be sufficient to ensure that the appeal is refused.

## PRE-NOTICE DISCUSSION AND ENSUING TIMESCALES

Pre-notice discussion can be an invaluable tool in terms of yielding positive results and is to be encouraged. That said any discussions should not be allowed to result in undue delay in terms of yielding results. The timescale between complaint and compliance can appear protracted (see flowchart at Annex A) but generally most time is taken up in pre-notice discussion with landowners. The mutual benefit of communication between LPA and landowner cannot be overstated. In many instances, issue of a s215 notice has been avoided, and an eyesore remedied, due merely to talking with a landowner. Experience has shown that landowners are usually quick to take action once the warning of a s215 notice has been sent, and more so once a s215 notice has been issued. Example 'first warning' letters upon which LPAs may wish to base their own letters are shown at Annex B. **However it must be stressed that LPAs should take their own legal advice as to the exact wording of each letter they use, as each case will be unique.**

A s330 notice requires the recipient to provide information about the ownership of the property and of any other person who may have an interest in it. Experience has shown that the inclusion of a s330 notice with the first warning letter encourages co-operation (an example s330 notice and accompanying guidance is attached at Annex C). Failure to respond to one of these notices is a criminal offence punishable in the Magistrates' Court with a fine of up to £1,000. A false statement given in response to the notice is punishable, upon conviction in the Magistrates' Court, with a fine of up to £5,000 or in the Crown Court, with a fine, imprisonment, or both.

LPAs may also wish to consider the matter of lawful use and whether or not a Planning Contravention Notice should be served in order to obtain information relating to the lawful use of the land being investigated.

There are several other options to help in tracing the owner or occupier of a potential s215 site, for example by:

- Land Registry search;
- Companies House search;
- internet search;
- private investigators; and
- information gathering notices.

All have been widely and successfully used by LPAs.

Whilst negotiation is undeniably a valuable tool, it must be stressed that in order to produce prompt, tangible and good quality results, a hardline approach intolerant of delay should be adopted. Furthermore, the best results depend on utilising the powers available to the maximum potential and courting publicity wherever possible.

## **PUBLICITY AND THE 'RIPPLE' EFFECT**

One benefit of the successful use of s215 notices is the 'ripple' effect it generates, especially in residential areas. LPAs have reported that often once a notice has been issued and work begun, work on neighbouring properties has also commenced, resulting in improved standards and conditions over a wide area. LPA experience has shown that often the mere 'threat' of a s215 notice elicits a similar response. Publicity, whether via local media or merely word of mouth, of an LPA's willingness to use initiatives such as s215 notices and actively pursue landowners in an effort to improve and regenerate their areas is also an incredibly strong tool.

Public perception of this kind of enforcement action has proven extremely popular. The issue of eyesores is clearly one that is close to people's hearts and confronting the problem head on using s215 powers could potentially show the LPA in a positive light. Run-down and derelict buildings convey all sorts of negative impressions. If an LPA combats them with comprehensive remedial action, people will feel better about the area, whether they are residents, businesses or tourists. There is an important economic issue in favour of comprehensive s215 action: if a town is presentable, people will want to visit or live there, and businesses will want to locate there.

## **ISSUING A S215 NOTICE**

LPAs would be well advised to ensure that the notices they issue are clear, precise and unambiguous. The letters should aim to achieve a good quality, lasting solution. Where necessary, specialist input should be sought at an early stage, for example

from the LPA's Conservation or Building Control Officers, or independent engineers with expertise. It would be prudent for all letters to be subject to scrutiny by the LPA's legal advisers.

Provided the notice is skillfully composed, the requirements are absolutely clear, and the LPA has a precise timescale then, if anything goes awry, the LPA has certain formal remedies provided within law to which it can resort.

Section 215 action should not be taken against land the poor condition of which is attributable in some way to the carrying out of operations or a use of land in accordance with Part III of the Town & Country Planning Act 1990.

## **APPEALS**

Unlike s172 enforcement notices, appeal against the s215 notice is to the Magistrates Court. The grounds of appeal against the s215 notice are set out in ss217-218 of the Act (see Annex D). In reality, they are relatively limited and a carefully thought out, reasonable and skillfully composed notice should tend to reduce the chances of an appeal being successful.

Very few s215 notices are actually appealed and of those that are only a small proportion are upheld. A clear and well-presented case that stresses the adverse impact of the site on the local streetscene has proven more effective than an overly technical presentation regarding the definition of 'loss of amenity'. The use of site visits and photographic evidence can carry a lot of weight in presenting the LPA's case to magistrates.

Where LPAs have made a well-presented case, appeals have rarely been successful. LPAs would be well-advised to operate with a prosecution in mind and train officers to carry out investigations to the standards contained within the Police and Criminal Evidence Act 1994, preparing prosecution/appeal files according to the Criminal Procedure and Investigation Act 1996.

Section 215 allows an LPA to take positive action and unlike, for example, stop notices or Article 4 directions, would not place any prohibition or restriction upon the land. Loss or injury attributable to the imposition of the notice would be at best minimal and it would be unlikely therefore that an LPA would be liable for compensation should the s215 notice not be upheld.

An example of a letter, including information on making an appeal, which could be issued to the recipient of a s215 notice is at Annex D.

## **HUMAN RIGHTS ACT**

Article 8 and Article 1 of the first protocol to the Convention on Human Rights state that a person is entitled to the right to respect for private and family life, and the peaceful enjoyment of his/her property. However, these rights are qualified in that they must be set against the general interest and the protection of the rights and freedom of others. In this case, the wider impact of the appearance of the land overrules the owner's right to the peaceful enjoyment of his property.

## **PROSECUTION VERSUS DIRECT ACTION WORKS IN DEFAULT**

Some LPAs prefer to deal with the majority of their s215 non-compliance cases by direct action, ie by carrying out the works themselves, whilst some prefer to prosecute for non-compliance, for example where they do not have a direct labour organisation. Experience has shown that each route is equally as successful as the other in terms of outcome. It is for the LPA to decide which is the most appropriate action to take, taking into consideration the details of each individual case. Indeed, in some cases LPAs may take the view that both courses should be pursued together. The majority of s215 cases are resolved before these stages need to be considered. That said, cases should always be conducted from the outset with these eventualities in mind.

Whilst the level of fine for a successful conviction is relatively limited to one not exceeding level three (at the time of publication up to £1,000) this should not dissuade LPAs from considering prosecution. The prospect of conviction and having a criminal record has a salutary effect and can produce the desired outcome. Many apparently intractable cases have been solved at the last minute under threat of prosecution.

Where direct action is to be taken, prior warning should be given by letter that the Council and its appointed contractors intend to carry out the steps required by the notice. It is recommended that this be backed up by the display of a suitable notice of intent on the site carrying the same information. Prior warning of intended prosecution should also be given by letter. Examples of both letters are at Annex E.

When taking the direct action approach it may be advisable to exercise some caution. Understandably, some owners or occupiers do not welcome Council employees or contractors with open arms! It is good practice to notify the Police of any direct action taking place, as it has been known for owners or occupiers to react in such a way that their actions result in them being arrested for a breach of the peace.

## **COST RECOVERY**

An LPA budget is not normally needed for direct action works to be carried out in default, as costs are normally met from revenue, not capital. Authorities that have undertaken works themselves have not experienced great difficulties in recovering costs. Where costs cannot be immediately recovered LPAs have the option of registering a charge on the property with the Land Registry, thus assuring full cost recovery plus base-rate interest. There is also provision within the Land Charges Act for the interim procedure of placing an estimate of the charge that will become due on the property. This effectively ensures the land or property cannot be sold without a charge being shown on the land.

County or High Court bailiffs have also been successfully used to recover monies owed.

## **FURTHER INFORMATION**

Copies of the research report *Derelict Land and Section 215 Powers* can be obtained by calling ODPM's Publication Sales Centre on 0870 1226 236 or from the internet at: [www.odpm.gov.uk/stellent/groups/odpm\\_control/documents/contentservertemplate/odpm\\_index.hcst?n=2497&l=3](http://www.odpm.gov.uk/stellent/groups/odpm_control/documents/contentservertemplate/odpm_index.hcst?n=2497&l=3)

Additional guidance/information can also be found in the following documents:

Town and Country Planning Act 1990 (Section 215) (1990)

Derelict Land Prevention and the Planning System (1995)

DETR Circular 2/98 Prevention of Dereliction through the Planning System (1998)

Urban White Paper (2000)

Listed Buildings, Conservation Areas & Monuments (Third Edition) – Charles Mynors (Section 6.13.1-8, pages 138-143)

## **ACKNOWLEDGEMENTS**

ODPM wishes to acknowledge the help given by the officers at Oadby & Wigston Borough Council, Doncaster Metropolitan Borough Council, Hastings Borough Council, Walsall Borough Council and King's Lynn & West Norfolk Borough Council who have shared their positive and practical experiences of the use of s215, and for the use of images supplied by them.



# Case Studies



## CASE STUDY

### Residential

**Date of complaint:** August 2003

**Date of 1st warning:** 5 September 2003 (with s330 notice)

**Date of 2nd warning:** 18 November 2003

**Date of notice:** 18 November 2003

**Date of appeal:** None

**Date of compliance:** 18 December 2003

**Outcome:** Site cleared by direct action 11 February 2004

Recovery of costs by way of registering a Land Charge



## **CASE STUDY**

### **Derelict Hotel**

**Date of complaint:** Series of complaints from approx 1990 to Building Control and Environmental Health

**Date of 1st warning:** March 1999

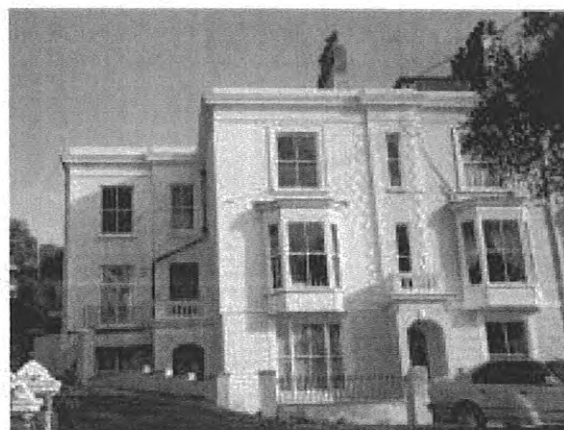
**Date of 2nd warning:** none

**Date of notice:** none served

**Date of appeal:** none

**Date of compliance/outcome:** With co-operation of Local Planning Authority property sold to developer.

Converted to 20 luxury apartments 2000



## **CASE STUDY**

### **Residential flat in conservation area**

**Date of complaint:** end of 1999

**Date of 1st warning:** 26 January 2000 (with s330 notice)

**Date of 2nd warning:** 17 February 2002

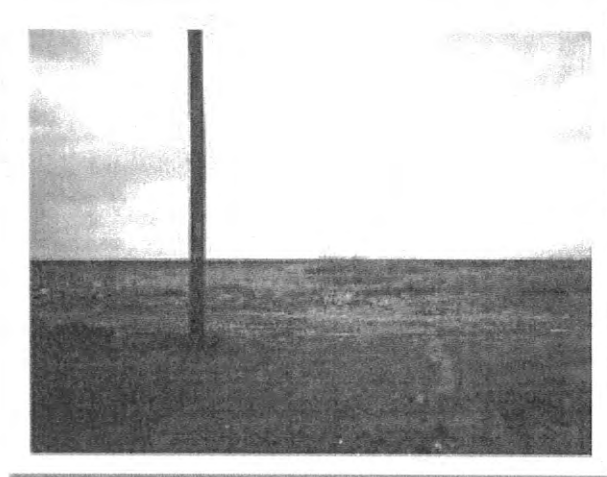
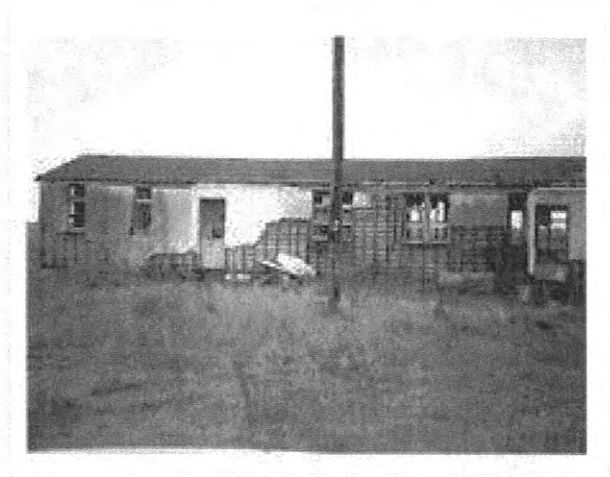
**Date of notice:** 11 December 2000

**Date of appeal:** None

**Date of compliance:** 18 August 2001

**Outcome:** full compliance with s215 notice





## **CASE STUDY**

### **Derelict residential**

**Date of complaint:** series of complaints from around 1990

**Date of 1st warning:** October 1997

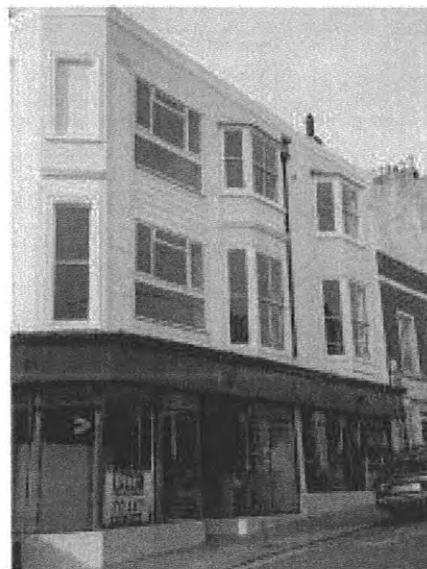
**Date of 2nd warning:** none

**Date of notice:** January 1998

**Date of appeal:** none

**Date of compliance:** February 1998

**Outcome:** site cleared by owners



## **CASE STUDY**

**Property in A1 use, town centre location on corner of main road**

**Date of complaint:** pro-actively targeted by lpa officers

**Date of 1st warning:** 9 August 2001 (with s330 notice)

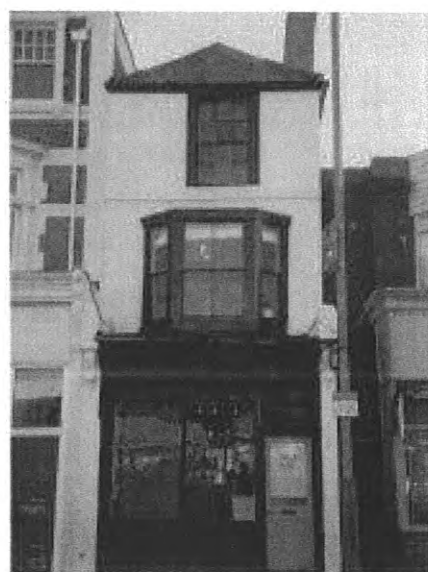
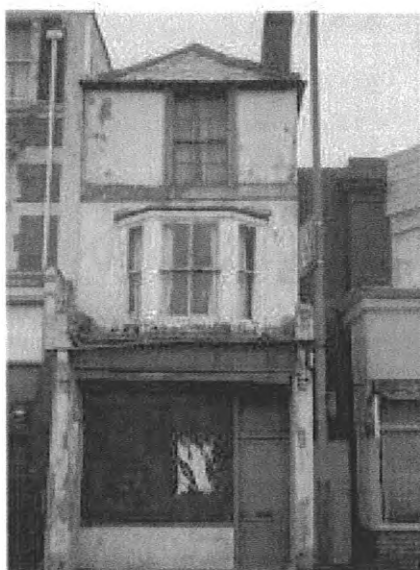
**Date of 2nd warning:** 20 September 2001

**Date of notice:** 1 October 2001

**Date of appeal:** none

**Date of compliance:** August 2002

**Outcome:** Summons issued by work commenced and completed to very high standard so prosecution dropped



### **CASE STUDY**

**Former shop with residential over, just  
outside town centre on key arterial route**

**Date of complaint:** pro-actively targeted by lpa officers

**Date of 1st warning:** 27 February 2002

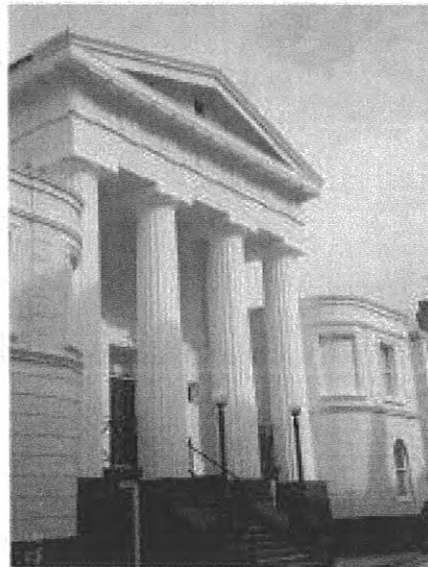
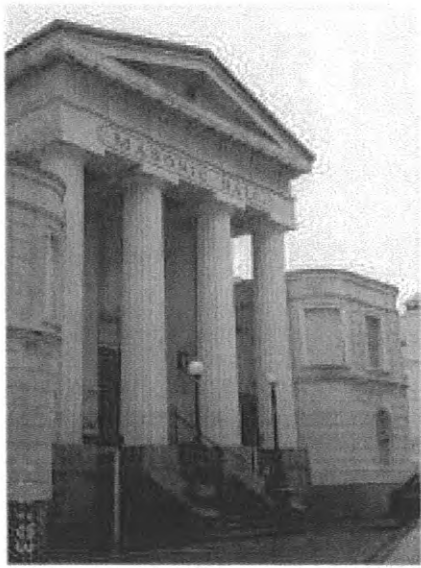
**Date of 2nd warning:** 6 March 2002

**Date of notice:** 2 May 2002

**Date of appeal:** none

**Date of compliance:** works completed early 2003

**Outcome:** full compliance with s215 notice



## **CASE STUDY**

**Grade II listed building, predominantly  
residential conservation area**

**Date of complaint:** pro-actively targeted by lpa officers

**Date of 1st warning:** 25 February 2003

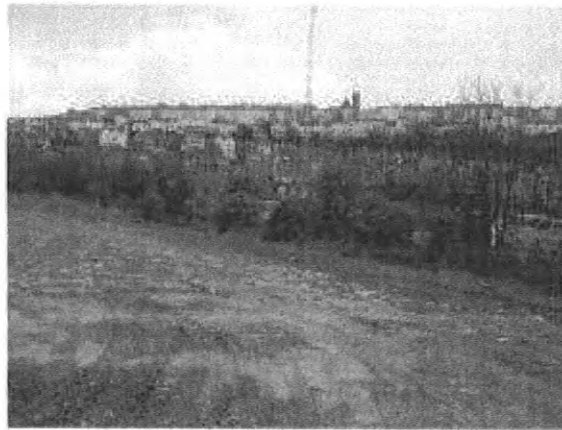
**Date of 2nd warning:** none

**Date of notice:** 25 November 2003

**Date of appeal:** none

**Date of compliance:** August 2004

**Outcome:** full compliance with s215 notice



### **CASE STUDY**

#### **Old garage site with demolition material left in situ**

**Date of complaint:** early 2003

**Date of 1st warning:** difficulty encountered in tracing owners whose agent was convicted of failing to comply with s330 notice and fined £2500 plus costs.

**Date of 2nd warning:** none

**Date of notice:** 4 December 2003

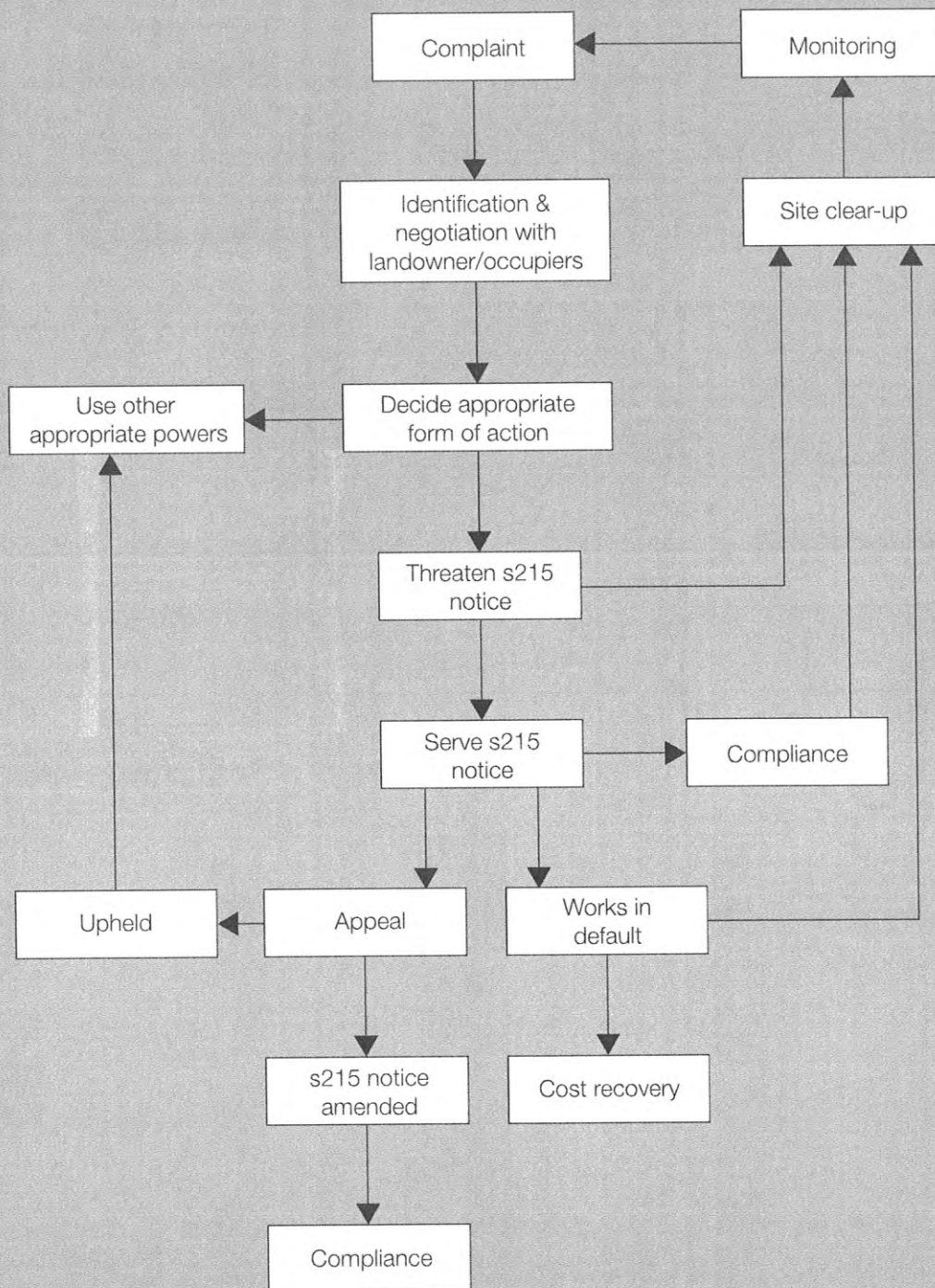
**Date of appeal:** none

**Date of compliance:** mid-March 2004

**Outcome:** full compliance achieved with the removal of several thousand tonnes of material and the securing of the site to deter unauthorised access

# Annex A

## SECTION 215 PROCEDURE





## Annex B

### **EXAMPLE: FIRST WARNING LETTER – BUILDING IN DISREPAIR**

Dear Sir/Madam

#### **PROPERTY ADVERSELY AFFECTING AMENITY OF NEIGHBOURHOOD [AREA/AREA]**

As you may know, [Council name] is committed to ensuring that improvements are carried out to buildings in [eg general/specific area] whose external condition has deteriorated. Improving such buildings has been identified by local people as a key priority for the Council and as a result of this a number of buildings across the [Council area] have been brought to a satisfactory condition.

The external appearance of the above mentioned premises is a source of concern primarily because of [the condition of render, external metalwork, paintwork, windows, grilles, doors]. The Council is writing to you today as the proprietor of the above mentioned premises as identified by the Land Registry. Its purpose is to respectfully request that works be carried out to remedy the poor external condition of the building in the near future, and to ascertain whether you have any plans in this regard. I would emphasise that your property is not being treated in isolation. The owners of other premises in the vicinity are being similarly contacted.

I advise that if prompt progress is not made in terms of remedying the poor external condition of the premises and a guarantee given to the Council by you that such works will be undertaken, the Council has the option to take enforcement action under Section 215 of the Town and Country Planning Act 1990. This is a course that the Council would wish to avoid if at all possible. It is hoped, therefore, that your co-operation can be relied upon in terms of improving the building in the near future and giving a guarantee to that effect.

## **EXAMPLE: FIRST WARNING LETTER – BUILDING & LAND IN DISREPAIR**

Dear Sir/Madam

### **PROPERTY ADVERSELY AFFECTING AMENITY OF NEIGHBOURHOOD [AREA/AREA]**

I have received a complaint in respect of the condition of your property at the above address. A recent visit by a Council officer has confirmed that its condition is unsatisfactory and is causing concern.

In these circumstances I must ask you to undertake the following works within 21 days from the date of this letter, to abate the nuisance and bring the property back to an acceptable standard:

[1. ...]

I advise that failure to comply with this request will leave the Council with no option but to consider action pursuant to Sections 215-219 of the Town & Country Planning Act 1990 (as amended). This could include formal action by way of service of a Notice, which will legally require you to undertake the work set out above. This is a course of action the Council would rather avoid and I seek your co-operation by carrying out these works. Such works will contribute towards achieving an [urban renaissance in [area]].

I enclose with this letter a Notice pursuant to Section 330 of the Town and Country Planning Act 1990 (as amended), which requires you to provide information about the ownership of the property and of any other person who may have an interest in it.

**WARNING** – Failure to respond to the enclosed Notice is a criminal offence punishable in the Magistrates Court with a fine of up to £1,000. It is also a criminal offence to make a false statement in response to this Notice. On conviction in the Magistrates Court this offence is punishable with a fine of up to £5,000 or in the Crown Court with a fine, imprisonment, or both. The Local Authority may prosecute this matter in the Courts should there be a breach of this or any subsequent Notice.

Please complete in full the Notice reply form and return to me [using the enclosed stamped addressed envelope] **within 21 days of the date of this letter.**

Should you wish to discuss any of the above in detail, you can contact the officer named above on the number given, who will be pleased to assist you. It is my hope that this matter can be resolved in a spirit of mutual co-operation.



**EXAMPLE: SECOND WARNING LETTER – BUILDING IN DISREPAIR**

Dear Sir/Madam

**PROPERTY ADVERSELY AFFECTING AMENITY OF NEIGHBOURHOOD  
[AREA/AREA]**

The Council last wrote to you about this matter on ... A copy of that letter is attached for your information. The Council has not received a response from you.

I advise you that, unless the Council hears from you within five working days of the date of this letter, outlining the steps you are going to undertake to remedy the external condition of the premises, then it will take enforcement action under Section 215 of the Town and Country Planning Act 1990. This enforcement action will require the improvements to be carried out. As you can appreciate this is a course that the Council would wish to avoid. The matter however now rests with you.

# Annex C

## EXAMPLE: S330 NOTICE

### IMPORTANT – THIS COMMUNICATION AFFECTS YOUR PROPERTY

[lpa name]  
TOWN AND COUNTRY PLANNING ACT 1990  
NOTICE UNDER SECTION 330(1)

To:

[name & address]

TAKE NOTICE that the [lpa name] in exercise of its powers under Section 330(1) of the Town and Country Planning Act 1990 does hereby require you to provide to it in writing, the following particulars affecting land situated and known as [address] in the [lpa area] as shown edged red on the attached plan (hereinafter referred to as “the Premises”) within **twenty-one days** after the date on which the Notice is served:

A. As to interest in the premises:

- i. The nature of your own interest in the premises.
- ii. The name and address of any other persons known to you as having an interest in the premises whether as freeholder, mortgagee, lessee or otherwise.

B. As to the use of the premises:

- i. The purpose for which the premises are used.
- ii. The time when that use began.
- iii. The name and address of any person known to you as having carried on that use.
- iv. The time when any activities being carried out on the premises began.

Section 330(4) of the Town and Country Planning Act 1990, states that any person who without reasonable excuse fails to comply with a Notice served on him under Section 330(1) shall be guilty of an offence and liable to summary conviction to a fine not exceeding £1,000.

Section 330(5) of the Town and Country Planning Act 1990, states that any person who having been required by a Notice served on him under Section 330(1) to give any information knowingly makes any mis-statement in respect thereof shall be guilty of an offence and liable on summary conviction to a fine not exceeding £5,000 or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine, or both.

**EXAMPLE: GUIDANCE ON COMPLETING SECTION 330 FORM**

This form is supplied to assist you in providing the information required by my Notice dated the xxth day of xxxx, 200x served under the provisions of Section 330(1) of the Town and Country Planning Act 1990.

Please answer the following questions and complete the declaration at the end of the questions. If a question is not applicable, please state that this is the case.

**A. As to interests in the premises:**

i. What is the nature of your interest in the premises?

.....

.....

ii. What is the FULL NAME AND ADDRESS of:-

a. The occupier of the premises?

.....

.....

b. The freeholder of the premises?

.....

.....

c. The lessee of the premises?

.....

.....

d. The mortgagee of the premises?

.....

.....

e. Any other person with an interest in the premises?

.....

.....

Nature of interest?

.....

.....

B. As to the use of the premises:-

i. For what purposes are the premises being used?

.....

ii. When did that use begin?

.....

iii. What are the full names and addresses of persons known to you as having used the premises for that purpose?

.....

iv. When did any activities being carried out on the premises begin?

.....

I [name] ..... hereby declare that the answers to the above questions comprise a true and correct statement of all the information required by the said Notice, so far as the same is within my knowledge.

Date: .....

Signed: .....

Address: .....

.....

.....

.....

## Annex D

### **EXAMPLE: LETTER TO ACCOMPANY S215 NOTICE AND GUIDANCE TO MAKING AN APPEAL AGAINST S215 NOTICE**

Dear Sir/Madam

#### **PROPERTY ADVERSELY AFFECTING AMENITY OF NEIGHBOURHOOD [AREA/AREA]**

I wrote to you on [date] concerning the above and seeking your co-operation in improving the condition of your property. You were invited to discuss this matter with my Officer if you wished.

A further inspection has been conducted and revealed that there has been no significant improvement in the condition of the property since I last wrote to you. [I note that you have failed to return the Section 330 Notice as required within the period stated. I remind you that failure to complete the Notice is a criminal offence and can give rise to prosecution.]

Consequently, you will now find enclosed with this letter a formal Notice pursuant to Section 215 of the Town and Country Planning Act 1990 (as amended), together with information concerning your right of appeal to the Magistrates Court. The Notice details the list of requirements that I consider are the minimum works required to bring the property back to a reasonable standard and which will rectify the adverse effects your property is having on the amenity of the neighbourhood.

I would still urge you, even at this late stage, to take the required action to resolve this matter as detailed in the Notice, within the next **28 days** from the date of this letter.

Your failure to comply with this Notice will leave me with several courses of action. Either or all of these actions may be pursued as follows:

1. A prosecution in the Magistrates Court for non-compliance with the s215 Notice – which could result in a substantial fine if found guilty of an offence.
2. The Council carrying out the works required by the Notice followed by action in the County Court to recover, from you, all expenses and costs reasonably incurred by such action.
3. Registration with HM Land Registry of a charge on your property, recoverable should your property be sold.

You may consider that these actions are radical steps that should be avoided. But I must make clear that, unless the requirements of the Notice are complied with in full, and within the specified period, I will proceed with a course of action described above.

**RIGHT OF APPEAL AGAINST SECTION 215 NOTICE  
SECTIONS 217-218 OF THE TOWN AND COUNTRY PLANNING ACT 1990**

217—(1) A person on whom a notice under Section 215 is served, or any other person having an interest in the land to which the notice relates, may, at any time within the period specified in the notice as the period at the end of which it is to take effect, appeal against the notice on any of the following grounds:

- (a) that the condition of the land to which the notice relates does not adversely affect the amenity of any part of the area of the local planning authority who served the notice, or of any adjoining area;
  - (b) that the condition of the land to which the notice relates is attributable to, and such as results in the ordinary course of events from the carrying on of operations or a use of land which is not in contravention of Part III;
  - (c) that the requirements of the notice exceed what is necessary for preventing the condition of the land from adversely affecting the amenity of any part of the area of the local planning authority, who served the notice, or of any adjoining area;
  - (d) that the period specified in the notice as the period in which any steps required by the notice are to be taken falls short of what should reasonably be allowed.
- (2) Any appeal under this section shall be made to the Magistrates Court acting for the petty sessions in which the land in question is situated.
- (3) Where such an appeal is brought, the notice to which it relates shall be of no effect pending the final determination or withdrawal of the appeal.
- (4) On such an appeal the Magistrates Court may correct any informality, defect or error in the notice if satisfied that the informality, defect or error is not material.
- (5) On the determination of such an appeal the Magistrates Court shall give directions for giving effect to their determination, including, where appropriate, directions for quashing the notice or for varying the terms of the notice in favour of the appellant.
- (6) Where any person has appealed to a Magistrates Court under this section against a notice, neither that person nor any other shall be entitled, in any other proceedings instituted after the making of the appeal, to claim that the notice was not duly served on the person who appealed.

218 —Where an appeal has been brought under section 217, an appeal against the decision of the Magistrates Court on that appeal may be brought to the Crown Court by the appellant or by the local planning authority who served the notice in question under section 215.

## Annex E

### EXAMPLE: WARNING OF DIRECT ACTION BY LPA AFTER S215 NOTICE HAS BEEN ISSUED

#### IMPORTANT: THIS COMMUNICATION AFFECTS YOUR PROPERTY

Dear Sir

**RE: TOWN AND COUNTRY PLANNING ACT 1990: SECTION 215:  
ENFORCEMENT NOTICE SERVED REGARDING THE POOR CONDITION OF  
LAND AT ...**

***You are advised to read this letter very carefully*** and contact the Council ***immediately*** at the address or phone numbers given above if you have any queries.

On [specify date] you were served with a formal notice under Section 215 of the Town and Country Planning Act 1990 requiring you to take steps to remedy the condition of land at the above mentioned site. That Notice should have been complied with by [specify date]. It has not been.

The purpose of this letter is to inform you that ***the Council now intends to carry out the steps required*** in accordance with Section 219 of the Town and Country Planning Act 1990. ***Contractors appointed by the Council will start those works on [specify date]***. Upon completion of those works, the Council will actively recoup its costs from you by placing a charge on your property.

Failure to comply with a Section 215 Notice is an offence under Section 216 of the Town and Country Planning Act 1990. Accordingly, I must advise you that the Council now intends to pursue a prosecution with immediate effect. Because an offence has been committed I must advise you that you should contact the Council about this matter and you are hereby cautioned that anything you do say can be given in evidence. It may also harm your defence if you do not mention something which you later rely on in court.



**EXAMPLE: WARNING OF PROSECUTION BY LPA AFTER S215 NOTICE HAS BEEN ISSUED**

**IMPORTANT THIS COMMUNICATION AFFECTS YOUR PROPERTY**

Dear Sir

**RE: TOWN AND COUNTRY PLANNING ACT 1990: SECTION 216: OFFENCE OF FAILURE TO COMPLY WITH NOTICE SERVED UNDER SECTION 215: EXTERNAL CONDITION OF ...**

The Council has received no correspondence or undertakings from you in respect of the above mentioned premises despite its letter and the enforcement notices served upon you dated [specify dates] under Section 215 of the Town and Country Planning Act 1990 (copies attached for information). The time period for compliance with the notices expired on [specify date]. Failure to comply with it is an offence. In the absence of the required works having been carried out, I have to advise you that the Council is left with no alternative but to commence legal proceedings with immediate effect. Clearly, the Council would wish to avoid such a course and if the required works now start and are brought to a swift and satisfactory conclusion then the situation will be reviewed. In the meantime, because an offence has been committed I must advise you that you should contact the Council about this matter and you are hereby cautioned that anything you do say can be given in evidence. It may also harm your defence if you do not mention something which you later rely on in court.



## Annex F

### **EXAMPLE: SECTION 215 NOTICE**

**(served in respect of a former shop with residential above)**

### **IMPORTANT THIS COMMUNICATION AFFECTS YOUR PROPERTY**

#### **TOWN AND COUNTRY PLANNING ACT 1990**

**(as amended by the Planning and Compensation Act 1991)**

#### **SECTION 215 NOTICE**

**SERVED BY:** [council name]

To: ....

#### **1. THE NOTICE**

This Notice is served by the Council under Section 215 of the above Act because it appears to them that the amenity of a part of their area is adversely affected by the condition of the land described below.

#### **2. THE LAND TO WHICH THE NOTICE RELATES**

The land known as ... shown edged red on the attached plan.

#### **3. WHAT YOU ARE REQUIRED TO DO**

The Council requires the following steps to be taken for remedying the condition of the land:

- (i) Hack off any perished, unkeyed and cracked render/stucco. Replace render/stucco so removed using suitable materials to match the existing render/stucco mix and finish.
- (ii) Prior to repainting, clean and prepare all render/stucco, removing in the process any flaking paint, so as to ensure all external render/stucco is in an appropriate condition for repainting.
- (iii) Prior to repainting, clean and prepare all external timbers, removing in the process any flaking paint and replacing any rotten or perished timbers with replacement woodwork which is an accurate replica of the original design in terms of pattern, detail and profile, so as to ensure that all external timbers are in an appropriate condition for repainting.
- (iv) On completion of steps (i) and (ii) above, repaint in cream or white all render/stucco with a minimum of two coats of exterior paint.
- (v) On completion of step (iii) above, repaint all external timbers in cream or white with primer, undercoat and gloss.
- (vi) Permanently remove all boarding from the shopfront, replacing any broken glazing with new glass to the appropriate specifications.

---

#### **4. TIME FOR COMPLIANCE**

Steps (i) to (iv) above to be complied with in full within three months of the date on which this Notice takes effect.

#### **5. WHEN THIS NOTICE TAKES EFFECT**

This Notice takes effect on [specify date]

Dated:

Signed:

**EXAMPLE: SECTION 215 NOTICE**  
**(served in respect of a Doric style Grade II Listed Building)**

**IMPORTANT THIS COMMUNICATION AFFECTS YOUR PROPERTY**

**TOWN AND COUNTRY PLANNING ACT 1990**  
**(as amended by the Planning and Compensation Act 1991)**

**SECTION 215 NOTICE**

**SERVED BY:** [council name]

To: ....

**1. THE NOTICE**

This Notice is served by the Council under Section 215 of the above Act because it appears to them that the amenity of a part of their area is adversely affected by the condition of the land described below.

**2. THE LAND TO WHICH THE NOTICE RELATES**

The land known as ... shown edged red on the attached plan.

**3. WHAT YOU ARE REQUIRED TO DO**

The Council requires the following steps to be taken for remedying the condition of the land:

- (i) Hack off any perished, unkeyed and cracked render/stucco. Replace render/stucco so removed using suitable materials to match the existing.
- (ii) Prior to repainting, clean and prepare all render/stucco, removing in the process any flaking paint, so as to ensure all external render/stucco is in an appropriate condition for repainting.
- (iii) Prior to repainting, clean and prepare all external joinery, removing in the process any flaking paint, replacing any rotten or perished timbers with replacement woodwork to match the existing and renewing putty/joinery surrounds so as to ensure all external joinery is in an appropriate condition for repainting.
- (iv) Prior to repainting, clean and prepare all external metalwork, removing in the process any rust and flaking paint, so as to ensure all external metalwork is in an appropriate condition for repainting.
- (v) On completion of steps (i) to (ii) above, repaint all external render/stucco with a minimum of two coats of exterior masonry paint, the finished colour to be cream.
- (vi) On completion of step (iii) above, repaint all external joinery with exterior wood primer, exterior undercoat and exterior wood gloss, the finished colour to be white or cream.
- (vii) On completion of step (iv) above, repaint all exterior metalwork with exterior metal primer, exterior undercoat and exterior metal gloss, the finished colour to be white, cream or black.

---

#### **4. TIME FOR COMPLIANCE**

Steps (i) to (vii) above to be complied with in full within four months of the date on which this Notice takes effect.

#### **5. WHEN THIS NOTICE TAKES EFFECT**

This Notice takes effect on [specify date]

Dated:

Signed:

**EXAMPLE: SECTION 215 NOTICE**

**(served to clear demolition material from a large former garage site)**

**IMPORTANT THIS COMMUNICATION AFFECTS YOUR PROPERTY**

**TOWN AND COUNTRY PLANNING ACT 1990**

**(as amended by the Planning and Compensation Act 1991)**

**SECTION 215 NOTICE**

**SERVED BY:** [council name]

To: ....

**1. THE NOTICE**

This Notice is served by the Council under Section 215 of the above Act because it appears to them that the amenity of a part of their area is adversely affected by the condition of the land described below.

**2. THE LAND TO WHICH THE NOTICE RELATES**

Land at ... shown edged red on the attached plan.

**3. WHAT YOU ARE REQUIRED TO DO**

The Council requires the following steps to be taken for remedying the condition of the land:

- (i) Remove from the site, to an authorised place of disposal, all hardcore, waste and demolition materials. Materials to be removed will include bricks, concrete, reinforced concrete, metal, timber, plastic, tyres and fabrics.

**Informative**

Upon completion of step (i) above, the owner and any occupier of the site are strongly advised to secure the site perimeter by means of an earth bound or site fencing the height of which should not exceed one metre unless specific planning permission has been granted beforehand for a higher bund or fence.

**4. TIME FOR COMPLIANCE**

Step (i) above to be complied with in full within one month of the date on which this Notice takes effect.

**5. WHEN THIS NOTICE TAKES EFFECT**

This Notice takes effect on [specify date]

Dated:

Signed:

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

**COMMITTEE *FOR* HOME AFFAIRS**

**INDEPENDENT MONITORING PANEL: RESIGNATION OF MEMBER**

The States are asked to decide: -

Whether, after consideration of the Policy Letter entitled 'Independent Monitoring Panel: Notification of resignation of Member' dated 17<sup>th</sup> October 2022, they are of the opinion:-

1. To note the resignation of Ms Kelly Prevel as a member of the Independent Monitoring Panel with effect from 5<sup>th</sup> October 2022.

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

**COMMITTEE FOR HOME AFFAIRS**

**INDEPENDENT MONITORING PANEL: NOTIFICATION OF RESIGNATION OF MEMBER**

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

17<sup>th</sup> October, 2022

Dear Sir

**1. Executive Summary**

- 1.1. The purpose of this Policy Letter is to formally notify the States of the resignation of Ms Kelly Prevel as a member of the Independent Monitoring Panel ("The Panel") with effect from 5<sup>th</sup> October 2022.

**2. Background**

- 2.1. The Panel is an independent body made up of members of the public who make unannounced visits to Guernsey Prison. Members provide independent oversight of the day-to-day operations of the Prison and prison conditions, monitor the administration of the prison, the treatment of prisoners and whether the statutory objectives of the prison system are being met, and serve to protect the well-being of prisoners.
- 2.2. The Committee would like to take this opportunity to put on record its thanks and appreciation to all existing Panel members for their commitment and dedication to their roles.

**3. Resignation of Member**

- 3.1. Schedule 3 to the Ordinance states that a "*Panel member may resign from office at any time by giving notice in writing to the Committee*" and that "*The Committee must notify the States of the resignation or removal from office of the Chairman or any other Panel member at the first available opportunity*". The Committee received notification of Ms Prevel's resignation on 17<sup>th</sup> October 2022.

- 3.2. Ms Prevel was appointed in March 2021 but has decided to step down as she is unable to dedicate sufficient time to the role.
- 3.3. The Committee would like to take this opportunity to put on public record its thanks and appreciation to Ms Prevel for her contribution to the Panel over the last nineteen months.

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

6.1 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.

6.2 In accordance with Rule 4(1):

- (a) The propositions contribute to the States' objectives in that in ensuring the Panel can appropriately discharge its statutory duties.
- (b) In preparing the propositions, there has been no consultation with stakeholders.
- (c) The propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- (d) There are no financial implications to the States of carrying the proposal into effect.

6.3 In accordance with Rule 4(2):

- (a) The propositions relate to the duties of the Committee to advise the States and to develop and implement policies on matters relating to its purpose including imprisonment, parole, probation and rehabilitation.
- (b) The propositions have the unanimous support of the Committee.

Yours faithfully

R G Prow  
President

S P J Vermeulen  
Vice-President



S E Aldwell

L McKenna

A W Taylor

P A Harwood OBE

Non-States Member

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

**STATES' TRADING SUPERVISORY BOARD**

**GUERNSEY POST LIMITED – ANNUAL REPORT AND ACCOUNTS**

The States are asked to decide:-

Whether, after consideration of the policy letter entitled 'Guernsey Post Limited – Annual Report and Accounts' dated 6<sup>th</sup> October, 2022, they are of the opinion:-

1. To note the Annual Report and Accounts of Guernsey Post Limited for the year ended 31<sup>st</sup> March 2022.

The above Proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

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

**STATES' TRADING SUPERVISORY BOARD**

**GUERNSEY POST LIMITED – ANNUAL REPORT AND ACCOUNTS**

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

6<sup>th</sup> October, 2022

Dear Sir

**1      Executive Summary**

- 1.1      The Annual Report and Accounts of Guernsey Post Limited are hereby presented to the States.

**2      Guernsey Post – Annual Report and Accounts**

- 2.1      Under the terms of Section 8 of the States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001, the States' Trading Supervisory Board (STSB) is required to submit Guernsey Post's Annual Report and Accounts to the States for their consideration.
- 2.2      Guernsey Post's Annual Report and Accounts for the year ended 31<sup>st</sup> March, 2022, are therefore appended to the policy letter.
- 2.3      The Company made an operating profit of £1,591,000 for the financial year ended 31<sup>st</sup> March, 2022, compared to £2,787,000 for the previous year.

**3      Compliance with Rule 4**

- 3.1      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.

3.2 In accordance with Rule 4(1):

- a) The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 (as amended) requires the Proposition to be put to the States;
- b) The Annual Report and Accounts have been submitted by Guernsey Post Limited;
- c) The Proposition has been submitted to His Majesty's Procureur for advice on any legal or constitutional implications;
- d) There will be no additional financial implications to the States of Guernsey of carrying the proposal into effect.

3.3 In accordance with Rule 4(2):

- a) The Proposition relates to the duties of the STSB to carry out the States' role as shareholder of any incorporated companies which are owned by the States and which the States have resolved to include in the mandate of the Board;
- b) The Proposition above has the unanimous support of the Board.

Yours faithfully

P J Roffey  
President

C N K Parkinson  
Vice-President

N G Moakes  
Member

S J Falla CBE  
Non-States Member

S J Thornton  
Non-States Member

# Consolidated Annual Report

2022

and Financial Statements  
for the year ended 31 March 2022



GUERNSEY  
**POST** 

# CONTENTS

Corporate Details .....	3
Chairman's Statement .....	4
Business Review for the year .....	6
Board Profile .....	8
Corporate Governance Report .....	10
Directors' Report .....	13
Independent Auditor's Report .....	14
Consolidated Statement of Comprehensive Income .....	16
Consolidated Statement of Financial Position .....	17
Consolidated Statement of Changes in Equity .....	18
Consolidated Statement of Cash Flows .....	19
Notes to the Consolidated Financial Statements .....	20



**Directors:**

Richard Digard (Chairman)  
Simon Milsted (resigned 27 September 2021)  
Boley Smillie (Chief Executive)  
Steve Sheridan (Finance)  
Jill Thomas (Commercial) (resigned 31 March 2022)  
Peter Shaefer (Non-Executive)  
Mark Dunster (Non-Executive)  
Paula Williams (Non-Executive)  
Rick Denton (Non-Executive) (appointed 16 December 2021)

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**Auditor:**

Deloitte LLP  
Regency Court  
Glategny Esplanade  
St Peter Port  
GUERNSEY  
GY1 3HW

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**Registered office:**

Envoy House  
La Vrangue  
St Peter Port  
GUERNSEY  
GY1 1AA

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**Company Number:**

38693



# CHAIRMAN'S STATEMENT

At the outset and on behalf of the Board, I wish to express my gratitude and sincere thanks to my predecessor, Simon Milsted, who retired as Chairman in September 2021. Simon joined the Board as a Non-Executive Director in May 2011 and was then appointed Chairman in 2018.

During Simon's tenure, the Company successfully responded to a variety of significant and business defining challenges, including the loss of low value consignment relief, the reform of the Company's pension scheme and most recently, the impact of COVID-19. It is a tribute to Simon's leadership that the Company has been able to navigate through this period while also continuing to deliver consistently positive financial results.

### RETURNING TO THE NEW NORMAL

As the Company continues to emerge from the impact of COVID-19 restrictions, it has been presented with a markedly different operating landscape to which it is having to adapt to more swiftly.

Consumer behaviour experienced a significant change during lockdown restrictions, with an uplift in internet shopping and returns contributing to 11% growth seen in parcels delivered into the Bailiwick over the past 12 months. However, current trends, almost certainly impacted by the "cost of living" crisis, are indicating a downturn on our projection for the rate of continued growth this year, on which our Board is keeping a watching brief because the economic climate continues to present a high level of uncertainty.

The rate of decline in core letter volumes continued to be substantial last year, with a further double digit erosion. This underpins our view that the accelerated decline in volumes during lockdown restrictions have in the most part been permanent and irreversible.

As such, Guernsey Post, and therefore its delivery model, is now in a period of planned transition as it continues to evolve from a letters to a parcel delivery and fulfilment business, which is illustrated by letter volumes delivered on island now being broadly consistent with the number of packets and parcels being handled.

With this transition comes a need for significant investment and change. Throughout the remainder of this year and into early next year, our Envoy House head office site will undergo construction works to create additional operating floor space to meet these changing needs. Furthermore, the Company is also in advanced stages of finalising a contract for the procurement of a parcel sortation machine which is currently scheduled to be fully operational by August 2023.

These investments will be key enablers to adapt to the changing landscape and build capacity in our delivery model over the coming years. Furthermore, these investments will drive further operational efficiencies to ensure we remain relevant in what is becoming an increasingly price sensitive and fiercely competitive sector.

### DIVIDEND

In the context of the overall financial position of the Company, combined with strong underlying operational performance, the Board is pleased to propose an ordinary dividend in respect of the year ended 31 March 2022 of £0.5m (2021: £1.3m).

The Board also keeps under constant review the health of the Company's Balance Sheet in the context of our Universal Service Obligations, the inherent commercial risks within our industry and the future demands of our strategy.

Such factors require that the Board seeks to maintain a disciplined capital investment policy and an appropriate level of liquidity.

### MANAGEMENT CHANGES

During the year we saw several changes to the senior leadership team of Guernsey Post, with Commercial Director Jill Thomas stepping down from her role. I wish to extend my sincerest gratitude to Jill for her commitment, expertise, and leadership provided to the business during her tenure.

I am also pleased to welcome Rick Denton to the Board as a Non-Executive Director, who brings with him significant leadership experience. Rick leads his own consultancy business and provides guidance to several commercial Boards as a Non-Executive Director and will prove to be a valuable addition to the Guernsey Post Board.



New solar mats on larger fleet vehicles.



## ENVIRONMENTAL

Guernsey Post remains committed to building a sustainable business and recognises the importance of this more than ever, against the backdrop of the ongoing impact that global climate change is having on our environment.

This year, we have continued with efforts to reduce the impact of our operation on the environment through several initiatives. One of note, is a business partnership we have established with a UK manufacturer to supply and install an innovative and ultra-thin solar matting to the roof area of some of our larger fleet vehicles.

This solution is helping us to make notable reductions in carbon emissions, and associated costs, by using the electricity generated by the mats to help run various on-board activities such as air conditioning and tail lifts. The results of the initiative have exceeded our expectations and as a result we are now rolling the solution out across our entire large vehicle fleet.

***Guernsey Post remains committed to building a sustainable business and recognises the importance of this more than ever, against the backdrop of the ongoing impact that global climate change is having on our environment.***

## COMMUNITY INITIATIVES AND RECOGNITION

We are pleased to continue our association in supporting local causes that can benefit the whole community. This year we provided additional support to the Saffrey Rotary Round the Island Walk Committee by loaning them several electric vans, helping them reduce the carbon footprint of the necessary logistics required to make the walk a success. We have also continued to support Alderney's local radio station, The Guernsey Literary Festival, the St Peter Port Christmas Lights Charity, St James Concert Hall, the 77th Liberation Day celebrations and the Guernsey Welfare Service Foodbank.

We have provided hands-on support to locally based Ukraine nationals to ship humanitarian aid to specific locations and we will continue to provide free postage for humanitarian aid packages to Ukraine for as long as is necessary.

We also worked closely with Guernsey Electricity Limited to run the Bailiwick School EcoChallenge for the second time. The competition challenges students to think of innovative ideas to improve the sustainability of their school. It has proved to be a popular initiative for Bailiwick students with them winning prize money for their school to implement some of their sustainability ideas.

I am also delighted to announce that this year, Guernsey Post has once again been ranked the most recommended brand in Guernsey, out of a total of 75 organisations with a strong local presence. The overall ranking considered brand impression, perceived values, and contribution to the local community. This award is a testament to the outstanding service each one of our employees provides to our customers every day.

I am also pleased to report that our Philatelic Customer Service team have this year achieved the UK Customer Service Excellence accolade for the fourth year running, demonstrating innovation, and delivering a service to our Philatelic customers that is over and above their expectations.

## HR AIR

On 19 March 2021, Guernsey Post acquired HR Air Limited, and as such, this is the first set of financial statements showing the full year results of this Company, which I am pleased to report is performing in line with expectations.

HR Air operates in Guernsey, Jersey and Heathrow providing services to global freight and logistics companies, including air and sea freight, consignment collection services and distribution and delivery services, with the acquisition proving to be a key enabler in the achievement of our wider strategic objectives.

## OUTLOOK

Despite another set of positive results this year, the outlook for the next 18 months is one in which the Company will face considerable challenges.

Significant pricing changes to our contract rates with Royal Mail is already having a profound impact on performance, resulting in a material erosion of our revenue base, even after measures that we have been able to reasonably take on our own business and retail tariffs.

More broadly, the wider economic climate and increased cost of living is now also introducing a large degree of uncertainty in regard to our business model, with early evidence indicating a slowdown in consumer purchasing habits across some of our revenue generating business units.

These challenges will almost certainly result in the Company reporting an operating loss next year for the first time since 2011. However, our Board remains totally committed to the strategy it has in place to address these challenges.

With the support of each and every one of our employees who continue to play a pivotal part in achieving our strategic aims, we remain confident of returning the Company back to an operating profit in the short term, while never compromising the Company's standing as a premier postal service providing a best-in-class service to the community.



R Digard, *Chairman*  
21 September 2022

# Business Review for the Year

## OUR RESULTS

Guernsey Post Limited is pleased to report an operating profit of £1.6m for the year ended 31 March 2022, which is a decrease of £1.2m from the prior year operating profit performance.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**Turnover** for the year was £42.8m, an increase of £1.3m (3%) in the year. The Group recorded strong performance in all business areas, particularly bulk customer business and parcel revenues.

**Expenditure** for the year was £41.2m, an increase of £2.5m (6%) on the prior year.

Direct costs of £20.9m, associated with servicing revenues increased by £0.1m (0.3%) in the year, the increase being primarily attributable to contractual and conveyance costs.

Total staff related expenditure for the year was £16.1m, an increase of £2.0m (14%). The number of reported full-time equivalent employees being at 288.

Depreciation costs at £0.9m increased slightly in the period. Amortisation of goodwill in the year of £0.3m related to Shoal Bay Holdings Limited and its underlying subsidiary HR Air Ltd.

**Profit on ordinary activities before Taxation** for the year was £2m, a decrease of £2.3m when compared to the prior year. The current year performance includes the first full year consolidation for Shoal Bay Ltd and its subsidiary HR Air Ltd, which were acquired on 19 March 2021. In addition to the movements highlighted above, this decrease in profit before tax is partially (£1.2m) due to a reduced return on funds invested by the States Treasury on the Group's behalf.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group continues to operate profitably with a strong Balance Sheet and a healthy liquidity position. Shareholders' funds were £27.3m, an increase of £0.5m in the year.

At the year end, the Group reported a cash balance of £3.6m (2021: £2.8m), alongside separate short-term investment balances held with States Treasury of £7.7m (2021: £8.3m) and £16.5m (2021: £16.3m) of current assets, supported by a £14.5m (2021: £14.9m) fixed assets base.

Reported current liabilities and provisions were £3.3m (2021: £4.3m).

## CONSOLIDATED STATEMENT OF CASH FLOWS

The Group had net inward cash movements of £0.2m during the year (2021: cash inflow of £0.2m), with net cash generated from operations contributing £2.2m (2021: £4.0m) in the year.

The primary cash flow adjustments related to £1.3m paid out in dividends during the year (2021: £1.4m) and £0.3m investment returns (2021: £1.5m investment return).

Capital spend in the year was £1m (2021: £0.6m), the primary investment being £0.7m in the replacement of the vehicle fleet.

## OPERATIONAL SUMMARY

The total number of mail items handled during the year was approximately 44.5m, which was a decrease of 4.5m items (11%) on the prior year which saw unprecedented volumes as a result of COVID-19 and associated lockdown restrictions. Notwithstanding this overall decline, inward parcel volumes continued to grow with an increase of 11% compared to prior year, whilst inward letters were down 7%.

Total outward mail was down 15% on prior year, primarily due to a decrease in outward bulk mail volumes which experienced significant demand in the prior year as COVID-19 impacted Bulk Customer business.

Except for mail posted in the UK but delivered in Guernsey, and mail delivered from Guernsey to Jersey via UK, elements of which were outside of our control, quality of service performance results for the year have exceeded the set targets and continue to be a demonstration of our commitment in ensuring a timely delivery of mail across our network.

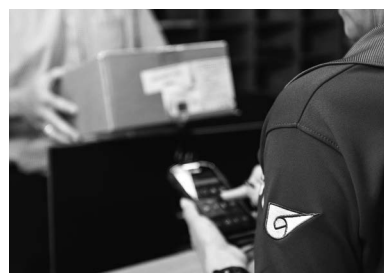
“... quality of service performance results for the year have exceeded the set targets and continue to be a demonstration of our commitment in ensuring a timely delivery of mail across our network.”



“

*Notwithstanding this overall decline, inward parcel volumes continued to grow with an increase of 11% compared to prior year, whilst inward letters were down 7%.*

”



## BOARD PROFILE

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**Richard Digard**  
CHAIRMAN

Richard Digard is a career journalist, editor and newspaper management specialist who has extensive experience at director level of running the Channel Islands' two daily newspapers plus other titles and digital publications.

Locally born and educated at Elizabeth College and Coventry University, Richard became the first news editor of the Guernsey Press and Star in 1987. He was appointed Marketing Manager at Sun Alliance International Life in 1994, where he ran its marketing division, serving teams in the UK, Europe, Africa, and the Far East.

He returned to the Guernsey Press and Star in 1997 and was appointed Editor in 2000. He subsequently joined the Board of the Guernsey Press Co. Ltd and then Guiton Publishing, a group board committee responsible for

the strategic direction and performance of its two Channel Islands newspapers.

These experiences include a strong trading background with a hands-on approach to the challenges and opportunities created for established industries by new technology.

Since retirement in 2014, he has been a member of the Independent Review Panel appointed by the States to consider States Members' remuneration and served as a Member of the States Scrutiny Management Committee until early 2017. Richard is also a Non-Executive Director of company acting as trustees of a Guernsey-based pension scheme and with delegated responsibilities for a Jersey-based scheme. He has also been a Douzenier of the Vale Parish since 2016.



**Boley Smillie**  
CHIEF EXECUTIVE

Born and raised in Guernsey, Boley Smillie joined Guernsey Post Limited in 1991 from his secondary education at La Mare de Carteret School. The subsequent years saw him gain a wide range of experience in different roles, rising through the ranks of the Company. Boley became Operations Director in 2007 and was appointed as an Executive Director in April 2010. In September 2010, Boley was promoted to the role of Chief Executive.

During his time as Chief Executive, Boley has successfully led the company through a number of significant challenges, ranging from the consequential impact of the abolition of low value consignment relief, to the

restructuring of the business designed to maximise the growth opportunities in e-commerce. Boley has added to his hands-on experience by undertaking a number of professional qualifications in marketing, business and finance.

In 2021, Boley led negotiations on the acquisition of the freight and logistics business, HR Air Ltd, a significant milestone in Guernsey Post Limited's diversification strategy. Boley was subsequently appointed as a Director of the Company.

Boley is also the Non-Executive Chairman of Guernsey Mind, an advisor on the Guernsey Ports Board and is Deputy Industrial Disputes Officer.



**Steve Sheridan**  
FINANCE DIRECTOR

Steve Sheridan was born and educated in Nottingham before work opportunities brought him to Guernsey in 1993.

Steve has over 25 years' experience in accountancy and financial control roles, having held a number of senior positions within the insurance, fiduciary, banking and commercial sectors. On qualification as an Accountant in 2004, Steve joined a Channel Island based retail business as their Financial Controller and General Manager. During his time in this role, he was successful in developing an effective management reporting structure, helping to drive business performance and associated rationalisation and restructuring initiatives.

Steve also spent a number of years working for Credit Suisse (Guernsey) Limited in a variety of financial accounting and project roles, one of which included being part of a project team tasked with the full deployment of its local financial accounting function to India. More latterly, Steve was employed within the Private Banking and Asset Management Division, where he held the position of Head of Financial Management for the Channel Islands.

Steve was appointed Finance Director with Guernsey Post Limited in early 2014 and holds the Institute of Directors Diploma in Company Direction.

Steve was appointed as a Director of HR Air Limited in March 2021.





**Peter Shaefer**  
NON-EXECUTIVE

Although born and raised in the North West of England, Peter has worked and lived in many countries including Holland, Switzerland, France and now Guernsey. He is a Member of the Chartered Institute of Public Finance and Accountancy and the Institute of Directors and holds a degree in Geology with Industrial Management from the University of Liverpool. He currently holds a number of executive and non-executive positions, including Director of La Perla Beauty UK Ltd (global beauty business) and is a Non-Executive Director of Guernsey Electricity Limited.

Peter has had enjoyed a varied career, including:

- The global beauty company, Coty Inc, which he joined in 2000 and culminated in his appointment as Senior Vice President of Business Transformation in 2014 with responsibility for overseeing a company-wide reorganisation and restructuring programme.

His previous roles with Coty Inc included CFO Europe and Asia and Senior Vice President, Business Development, with responsibility for Mergers & Acquisitions and accelerating international development.

- Japan Tobacco International, undertaking a number of roles across the globe, including General Auditor and Senior Finance Director;
- The oil industry, working in a variety of finance and audit roles;
- The Audit Commission, where he qualified as a Chartered Accountant.

Peter's skills include managing strategic change and international development, project management, corporate governance and risk management, developing business and financial strategy and financial planning and analysis.



**Mark Dunster**  
NON-EXECUTIVE

Advocate Dunster is a partner at Carey Olsen specialising in litigation, compliance and financial regulatory matters. He undertakes a wide variety of commercial and civil litigation work and advises institutions on regulatory matters, including anti-money laundering, data protection, employment law, e-Gambling and renewable energy.

In 1994, Mark was called as a barrister and practised in London before returning to his native Guernsey, where he qualified as an advocate in 1997. He has been a partner at Carey Olsen since 2001 and became a Notary Public in 2006.

Mark acts as both an executive and non-executive director on a number of Guernsey (and non-Guernsey) companies in sectors as wide as trust and fiduciary services, electronic gaming, credit card payment processing, commercial real estate and investment holding.

Mark is the past Chairman of the Guernsey Association of Compliance Officers and the former Chairman of the Guernsey Bar Association.

Between 2004 and 2008, Mark was a member of Guernsey's Health and Social Services Department. He was formally Connétable of St Pierre du Bois and is now a Douzenier for that Parish.

Mark has a breadth of commercial experience with some very large and complex organisations. This experience includes reviews of corporate governance structures, developing strategy and evaluating the deployment of capital and resources between competing opportunities. He holds the Institute of Directors Chartered Director status.



**Paula Williams**  
NON-EXECUTIVE

Originally from New Zealand, Paula and her family moved to Guernsey in 2012. As an experienced Management Consultant, Paula has over 20 years of experience in business transformation in London, Australia, New Zealand and Guernsey. Paula has an MBA in Strategic Management from Henley Business School, the Institute of Directors Diploma in Company Direction and experience working with businesses to improve company performance.

Paula has been a Non-Executive Director for 5 years for the Channel Islands Co-operative Society and President for 18 months. As Managing Director for Island Consortium, Paula is actively involved in working with other businesses to meet their regulatory training requirements. In her spare time, Paula is also Chair of the Bailiwick of Guernsey Scout Association, which won the Queens Award for Voluntary Service in 2019.



**Rick Denton**  
NON-EXECUTIVE

Rick has 30 years' experience of leading UK and International subsidiaries of four major banking groups. Subsequently, he became CEO of a specialist family office business, managing property developments and acquiring companies. Rick now leads his own consultancy and has a range of International Non-Executive Director positions.

Locally he chairs the Guernsey Banking Deposit Compensation Scheme and is a Non-Executive Director of Guernsey Electricity. He is a National Council Member for the Institute of Directors, representing the international branches.

Rick holds an MBA with distinction from Warwick University; is an Associate of the Chartered Institute of Bankers; a Chartered Member of the Institute of Securities and Investments and a Member of the Society of Trust and Estate Practitioners. He has also recently achieved the Henley Certificate in Executive Coaching and the Institute of Directors' Diploma in Company Direction.

# Corporate Governance Report

## COMPLIANCE

Guernsey Post Limited's corporate governance arrangements are based on the proportionate application of good practice principles in corporate governance, predominantly those contained within the UK Corporate Governance Code published in July 2018 ('the Code'), where relevant. Guernsey Post Limited is committed to the development of a sustainable and profitable business that benefits all stakeholders, which includes achieving the highest standards of corporate governance for our Shareholder, the States of Guernsey.

Guernsey Post Limited has signed a Memorandum of Understanding with the States' Trading Supervisory Board that sets out the rights, expectations and duties of both parties and includes the requirement to comply with best practice on corporate governance. Guernsey Post Limited has continued to work on its corporate governance programme during the financial year ended 31 March 2022, and the achievements are summarised in this report.

## THE BOARD

### DIRECTORS

The Board's role is to provide entrepreneurial leadership of the Group within a prudent and effective framework of risk management and internal control. The Board is responsible for setting and implementing strategy, allocating the necessary human and financial resources to meet the Group's objectives and monitoring the performance of management against those objectives. The Board is collectively accountable for the success of the Group, sets its values and standards and takes decisions objectively in the interests of the Group, its Shareholder and other stakeholders.

Non-Executive Directors help to develop and challenge the Group's strategy. They evaluate the performance of management and monitor the reporting of performance. They consider the integrity of financial information and the strength of financial controls and risk management systems. They oversee executive remuneration and play the main role in the appointment, removal and succession planning for Executive Directors.

Matters referred to the Board are governed by a scheme of delegated authorities that provides the framework for the decisions to be taken by the Board, those which must be referred to our Shareholder and those which can be delegated to Committees of the Board, or senior management.

There were six board meetings held during 2021/22. If a Board member cannot attend a meeting, he or she receives a copy of the agenda and the accompanying papers in advance of the meeting and is invited to comment on the matters to be discussed.

The names of the members of the Board Committees are set out on pages 8-9 (8-11\*), together with details of their background. The Board Committees have authority to make decisions according to their terms of reference.

### CHAIRMAN AND CHIEF EXECUTIVE

Guernsey Post Limited has a Non-Executive Chairman and a Chief Executive. There is a clear division of responsibility between these two positions. Richard Digard, the Non-Executive Chairman, is responsible for the running of the Board and Boley Smillie, the Chief Executive, is responsible for the running of the Group's business.

Richard Digard spends, on average, one day per week in his role as Chairman. He holds a number of other external Directorships, but the Board considers that his external Directorships do not make conflicting demands on his time as Chairman.

Peter Shaefer is the Senior Independent Director and is also available to talk to our Shareholder, if it has any issues or concerns.

### BOARD BALANCE AND INDEPENDENCE

Throughout the year, the Group has had a balance of independent Non-Executive Directors on the Board, who ensure that no one person has disproportionate influence. All the Non-Executive Directors bring with them significant commercial experience from different industries, which ensures that there is an appropriate balance of skills on the Board.

There are currently five Non-Executive Directors and two Executive Directors on the Board.

## APPOINTMENTS TO THE BOARD

Recommendations for appointments to the Board are the responsibility of the Nominations Committee. The appointment of Non-Executive Directors must be ratified by the States of Guernsey.

The Nominations Committee meets 1-3 times a year to consider the balance of the Board, job descriptions and objective criteria for Board appointments and succession planning.

## INFORMATION AND PROFESSIONAL DEVELOPMENT

For each scheduled Board meeting, the Chairman and the Company Secretary ensure that, during the week before the meeting, the Directors receive a copy of the agenda for the meeting, financial, strategic, and operating information and information on any other matter which is to be referred to the Board for consideration. The Directors also have access to the Company Secretary for any further information they require. In the months where there is no scheduled Board meeting, the Directors receive the prior month and cumulative Group financial and operating information.

The Company Secretary gives guidance on Board procedures and corporate governance.

The Company Secretary, who is appointed by the Board and is also the Finance Director and an Executive Director, is responsible for ensuring compliance with Board procedures. This includes recording any concerns relating to the running of the Group, or proposed actions arising therefrom, that are expressed by a Director in a Board meeting. The Company Secretary is also Secretary to the Remuneration and Nomination Committees. The Company Secretary is available to give ongoing advice to all Directors on Board procedures, corporate governance, and regulatory compliance.

## ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

Attendance during the year for all Board and Board Committee meetings is given in the table below:

ATTENDANCE AT BOARD COMMITTEE MEETINGS (A)				
	Board	Audit & Risk Management Committee	Nominations Committee	Remuneration Committee
Boley Smillie	6/6			
Steve Sheridan	6/6			
Simon Milsted (Resigned 27/09/2021)	3/3			
Richard Digard	6/6	2/2		
Jill Thomas (Resigned 31/03/2022)	5/6			
Peter Shaefer	6/6	2/2		
Mark Dunster	4/6		3/3	3/3
Paula Williams	6/6		3/3	3/3
Rick Denton (Appointed 16/12/2021)	2/2			

(A) The first figure represents attendance and the second figure the possible number of meetings e.g., 9/10 represents attendance at 9 out of a possible 10 meetings. Where a Director stepped down from the Board, or a Board Committee, during the year, or was appointed during the year, only meetings before stepping down, or after the date of appointment, are shown.

During the transitional period from Non-Executive Directors retiring from the Board and their successors being appointed, if any sub-committee of the Board found itself inquorate, any decisions proposed by such sub-committees would be referred to the main Board meeting for ratification.

## PERFORMANCE EVALUATION

The Board undergoes a regular evaluation of its performance. The evaluation consists of a confidential questionnaire, which is assessed by the Board, followed by an open discussion facilitated by the Chairman.

## ELECTION AND RE-ELECTION OF DIRECTORS

Guernsey Post Limited's Articles of Association state that a Non-Executive Director should be proposed for re-election if he, or she, has been appointed to the Board since the date of the last Annual General Meeting ('AGM'), or proposed for re-election, if he or she has held office for more than three years at the date of the notice convening the next AGM. The Board ensures that each Non-Executive Director submits himself, or herself, for re-election by the Shareholder at least every three years.

Non-Executive Directors serve the Group under letters of appointment, which are generally for an initial three-year term.

Their appointment is also ratified by the States of Guernsey.

In accordance with the Articles of Association, Paula Williams is due to retire by rotation. Paula Williams, being eligible, has offered herself up for re-election at the forthcoming Annual General Meeting.

## REMUNERATION

The Board recognises the importance of Executive Directors' remuneration in recruiting, retaining, and motivating the individuals concerned. Executive Directors' remuneration consists of basic salary, benefits in kind, bonus, and retirement benefits. Fees for the Chairman and Non-Executive Directors are determined by the States' Trading Supervisory Board.

The Remuneration Committee, which is chaired by Mark Dunster, consists of two Non-Executive Directors, and determines remuneration levels and specific packages appropriate for each Executive Director, taking into account the Group's annual salary negotiations. No Director is permitted to be present when his, or her,

own remuneration is being discussed, or to vote on his, or her, own remuneration. The Remuneration Committee considers that the procedures in place provide a level of remuneration for the Directors, which is both appropriate for the individuals concerned and in the best interests of the Shareholder.

## ACCOUNTABILITY AND AUDIT

### FINANCIAL REPORTING

The intention of the Consolidated Annual Report is to provide a clear assessment of the performance and financial position of the performance and financial position of Guernsey Post Limited. The Group has a comprehensive system for reporting financial results to the Board. An annual budget is prepared and presented to the Board for approval. During the year, monthly management accounts, including the Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows and capital expenditure reporting, are prepared with a comparison against budget and prior year. Forecasts are revised half yearly considering this comparison and are also reviewed by the Board.

## INTERNAL CONTROL AND RISK MANAGEMENT

All Directors are responsible for establishing and maintaining an effective system of internal control. Whilst all elements of risk cannot be eliminated, the system aims to identify, assess, prioritise and, where possible, mitigate the Group's risks. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Board with reasonable assurance that assets are safeguarded, transactions are properly authorised and recorded and that material errors and irregularities are either prevented, or detected, within a timely period.

The Audit & Risk Management Committee has previously considered the need for an internal audit function and concluded that the financial position, size, and complexity of the Group could not justify the expense, which the Board ratified. The Board is happy to continue relying on the strength of the internal control environment through updates on risk management and internal control, health and safety reports, AML and CFT compliance,

monthly management information and representations from the Executive Team, supported by the engagement of third-party compliance consultants. This approach is further complimented by external third-party assurance reviews where and when appropriate.

## AUDIT & RISK MANAGEMENT COMMITTEE AND AUDITOR

The Board has delegated responsibility to the Audit & Risk Management Committee for reviewing an effective system of internal control and compliance, accurate external financial reporting, fulfilling its obligations under the law, and managing the Group's relationship with the Group's external auditor. The Committee members comprise independent Non-Executive Directors. Peter Shaefer, who is a qualified accountant, is the Chairman of the Audit & Risk Management Committee and the Board is satisfied that Peter has recent and relevant financial experience to enable the duties of the Committee to be fully discharged. Rick Denton is the other member of the Audit & Risk Management Committee.

The Committee meets at least once a year with representatives of the Group's external auditor, and the Chief Executive and the Finance Director also attend the meetings.

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Committee considers that it has acted in accordance with its term of reference, ensuring:

- The independence, objectivity, and effectiveness of external auditors.
- The Group has appropriate controls and measures in place to mitigate against material risks to its business.
- The integrity of the financial statements. Reviewing significant financial reporting issues and judgements they contain.
- Whistle blowing arrangements are in place.
- Going concern of the Group.
- Recommended distribution of profits appropriately reflects the solvency of the Group.

The Committee recommends that the Board approve the Group's financial statements for the 12 month period ended 31 March 2022, including the independent auditors report and unqualified opinion of Deloitte LLP to these financial statements.

## SHAREHOLDER RELATIONS

The Board believes that good communication with the Shareholder is a priority. There have been regular quarterly meetings between the Chairman, Chief Executive and Finance Director of Guernsey Post Limited, and senior staff of the States' Trading Supervisory Board. The Group presents its strategic plan to our Shareholder for approval every year.

The Chairman and Senior Independent Director are available to meet with our Shareholder should there be unresolved matters that our Shareholder believes should be brought to its attention. The Executive Team and the Non-Executive Directors meet with our Shareholder at the Annual General Meeting ('AGM').

The date of the AGM is agreed with our Shareholder and notice of ten working days is given. The AGM is chaired by Guernsey Post Limited, with presentations made by the Executive Team to facilitate awareness of the Group's activities and its financial performance. Our Shareholder is given the opportunity to ask questions of the Board and the Chairman of each Board committee during the AGM.

## COMMITTEES OF THE BOARD AND MAIN TERMS OF REFERENCE

In addition to regular scheduled Board meetings, the Group operates through various Board Committees, of which the membership and main terms of reference are set out below (except the Audit & Risk Management Committee, which is outlined above).

Mark Dunster is the Chairman of the Nominations Committee, supported by Paula Williams. The main terms of reference of this Committee are to regularly review the structure, size, and composition of the Board and to make recommendations on the role and nomination of Directors for appointment to the Board, Board Committees and as holders of any executive office, as well as ensuring that appropriate succession

plans are in place for the Board and the Executive Team. When considering future Board appointments, the Nominations Committee pays due regard to issues of diversity, including gender. The Committee met three times in 2021/22.

Mark Dunster is also the Chairman of the Remuneration Committee, supported by Paula Williams. The main terms of reference of this Committee are to determine and agree with the Board the remuneration policy for the Group's Executive Team, to approve the design of, and determine targets for, any performance related pay schemes operated by the Group and to determine the policy for, and scope of, pension arrangements for each Executive Director. The Committee met three times in 2021/22.



## DIRECTORS' REPORT

The Directors present their Consolidated annual report, together with the financial statements, for the year ended 31 March 2022.

### PRINCIPAL ACTIVITIES

The Group's principal activities are the provision of a postal service for the Bailiwick of Guernsey through a postal network and retail counter operation in accordance with the license awarded to it by the Guernsey Competition and Regulatory Authority ('GCRA') and the marketing of its postage stamps and other philatelic products to stamp collectors worldwide.

Through the Company's subsidiaries Shoal Bay Holdings Limited and HR Air Ltd, the Group also provides freight and courier services between Guernsey, Jersey and the UK, as well as warehousing and distribution services.

### SIGNIFICANT EVENTS

The impact of COVID-19 on Guernsey Post Limited continued to influence operations and services in the year, albeit to a lesser extent than previously experienced.

As COVID-19 related restrictions were gradually lifted both in Guernsey and further afield, Guernsey Post reinstated non-core services such as foreign currency sales and on island marketing initiatives.

Core mail volume decline continued in the year in line with pre-pandemic trends. Once again this has been offset by parcel and packet growth, which continues to increase.

To enable Guernsey Post to efficiently handle the increased volumes of inbound packets and parcels, the Company entered a lease on a secondary location, providing a significant increase in operational workspace.

### RESULTS

The results for the year are shown in the Consolidated Statement of Comprehensive Income on page 16 (25\*).

### DIVIDEND

The Directors recommend a dividend of £0.5m based upon the profits for the year ended 31 March 2022 (2021: £1.3m).

### FIXED ASSETS

Fixed asset movements for the year are disclosed in note 6 to the financial statements.

### DIRECTORS

The Directors of the Group, who served throughout the year and at the date of this report, were as follows:

Simon Milsted  
(resigned 27 December 2021)

Richard Digard

Boley Smillie

Peter Shaefer

Steve Sheridan

Mark Dunster

Jill Thomas  
(resigned 31 March 2022)

Paula Williams

Rick Denton  
(appointed 16 December 2021)

No Director has an interest, either beneficially or non-beneficially, in any shares of the Group (2021: no interest beneficially, or non-beneficially).

In accordance with the Articles of Association, Paula Williams is due to retire by rotation. Paula Williams, being eligible, has offered herself up for re-election at the forthcoming Annual General Meeting.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose, with reasonable accuracy at any time, the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant information of which the Group's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself, or herself, aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

### AUDITORS

Deloitte have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



B Smillie  
Chief Executive



R Digard  
Chairman

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUERNSEY POST LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### OPINION

In our opinion the consolidated financial statements of Guernsey Post Limited and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the consolidated financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement; and
- the related notes

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such

material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies (Guernsey) Law, 2008 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the revenue recognition of Bulk and Southbound customers, and our specific procedures performed to address it included are described below:

- assessing the design and implementation of key controls identified around bulk revenue and southbound revenue process;
- obtaining independent third-party confirmation from Royal Mail (with respect to southbound revenue) and a sample of the largest bulk customers;
- agreeing revenue to invoices and bank statements on sample basis for the remaining bulk population;

- inspecting a sample of receipts as per the bank statements and tracing these to supporting documentation and the general ledger for the remaining bulk population to ensure that revenue recorded is complete; and
- obtaining a month-on-month breakdown of southbound and bulk revenue streams and undertaking graphical analysis to analyse the trends to ensure they are in line with our expectations and understanding of the business.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies (Guernsey) Law, 2008 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### USE OF OUR REPORT

This report is made solely to the group's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP,  
St Peter Port, Guernsey  
21 September 2022

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	31 March 2022 Consolidated £'000	31 March 2021 Consolidated £'000
<b>Turnover</b>	1	<b>42,782</b>	41,494
<b>Expenses</b>	2	<b>(41,191)</b>	(38,707)
<b>Operating Profit</b>		<b>1,591</b>	2,787
<b>Other income/(losses)</b>			
Investment returns		<b>307</b>	1,522
Rental income		<b>78</b>	97
Revaluation of Investment Property	7	<b>20</b>	(100)
<b>Profit on ordinary activities before taxation</b>		<b>1,996</b>	4,306
<b>Tax (charge)/credit on profit on ordinary activities</b>	3	<b>(240)</b>	31
<b>Profit for the financial year</b>		<b>1,756</b>	4,337

All activities derive from continuing operations.

The notes on pages 20 to 29 (\*29 - 45) form an integral part of these financial statements.

\*These page numbers refer to the original Financial Statements document approved by the auditors.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 Consolidated £'000	31 March 2021 Consolidated £'000
<b>Non-current assets</b>			
Tangible fixed assets	6	10,287	10,358
Goodwill	5	3,054	3,396
Investment property	7	880	860
Deferred tax	9	-	240
		<b>14,221</b>	14,854
<b>Current assets</b>			
Cash at bank and in hand	1	3,647	2,843
Balances with States Treasury	10, 14	7,746	8,338
Debtors	8	4,753	4,907
Stock		308	263
		<b>16,454</b>	16,351
<b>Creditors: Amounts falling due within one year</b>	11	<b>(3,357)</b>	(4,343)
<b>Net current assets</b>		<b>13,097</b>	12,008
<b>Total assets less current liabilities</b>		<b>27,318</b>	26,862
<b>Provisions greater than one year</b>	15	-	-
<b>Net assets</b>		<b>27,318</b>	26,862
<b>Capital and reserves</b>			
Shareholders' capital	12	7,886	7,886
Retained earnings		19,432	18,976
		<b>27,318</b>	26,862

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 21 September 2022. They were signed on its behalf by:



**B Smillie**  
Chief Executive



**R Digard**  
Chairman

The notes on pages 20 to 29 (\*29 - 45) form an integral part of these financial statements.

\*These page numbers refer to the original Financial Statements document approved by the auditors.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Shareholder's Capital	Retained Earnings	Total Equity
	£,000	£'000	£'000
<b>Balance as at 1 April 2020</b>	7,886	16,083	<b>23,969</b>
Profit for the financial year	-	4,337	<b>4,337</b>
Dividends	-	(1,444)	<b>(1,444)</b>
<b>Total contributions by and distributions to owners</b>	-	(1,444)	<b>(1,444)</b>
<b>Balance as at 31 March 2021</b>	7,886	18,976	<b>26,862</b>
<b>Balance as at 1 April 2021</b>	7,886	18,976	<b>26,862</b>
Profit for the financial year	-	1,756	<b>1,756</b>
Dividends	-	(1,300)	<b>(1,300)</b>
<b>Total contributions by and distributions to owners</b>	-	(1,300)	<b>(1,300)</b>
<b>Balance as at 31 March 2022</b>	7,886	19,432	<b>27,318</b>

The notes on pages 20 to 29 (\*29 - 45) form an integral part of these financial statements.

\*These page numbers refer to the original Financial Statements document approved by the auditors.

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2022

	Notes	2022 Consolidated £'000	2021 Consolidated £'000
<b>Operating activities</b>			
Profit or loss for the financial year		1,756	4,337
<i>Adjustments for:</i>			
Depreciation and amortisation		1,290	932
Profit on sale of tangible fixed assets		(105)	(13)
Rental income		(78)	(97)
Interest and similar (income)		(307)	(1,522)
Revaluation of investment property		(20)	100
Taxation		240	(31)
(Increase) in stocks		(45)	(50)
Decrease / (increase) in debtors		394	(388)
(Decrease) / increase in creditors		(736)	620
<b>Net cash generated from operations</b>		<b>2,389</b>	<b>3,888</b>
Rent received		78	97
Tax received		(240)	31
<b>Net cash inflow from operating activities</b>		<b>2,227</b>	<b>4,016</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(1,008)	(619)
Investment return		307	1,522
Acquisition of Subsidiary	1	(250)	(3,432)
Proceeds from sale of tangible fixed assets		236	162
<b>Net cash outflow from investing activities</b>		<b>(715)</b>	<b>(2,367)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	4	(1,300)	(1,444)
<b>Net cash outflow from financing activities</b>		<b>(1,300)</b>	<b>(1,444)</b>
<b>Net increase in cash and cash equivalents</b>		<b>212</b>	<b>205</b>
Increase in cash balances		212	205
Cash and cash equivalents at 1 April		11,181	10,976
<b>Cash at bank and investments held as at 31 March</b>		<b>11,393</b>	<b>11,181</b>
<b>Represented by:</b>			
Balances with States Treasury		7,746	8,338
Cash		3,647	2,843
		<b>11,393</b>	<b>11,181</b>

The notes on pages 20 to 29 (\*29 - 45) form an integral part of these financial statements.

\*These page numbers refer to the original Financial Statements document approved by the auditors.



## NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

### 1. Significant accounting policies

#### Reporting entity

Guernsey Post Limited (the "Company") commenced trading on 1 October 2001 and is registered in Guernsey. The Company's registered address is Envoy House, La Vrangue, St Peter Port, Guernsey, GY1 1AA. The Company is governed by the provision of the Companies (Guernsey) Law, 2008. The principal activity of the Company is the provision of Postal Services throughout the Bailiwick.

#### Basis of consolidation

On 19 March 2021, Guernsey Post Limited acquired 100% of the ordinary share capital of Shoal Bay Holdings Limited and its subsidiary HR Air Ltd. ("the Subsidiaries" and all together "the Group").

These Group financial statements consolidate the financial statements of the Company and the Subsidiaries up to 31 March 2022. The results of the Subsidiaries acquired are consolidated for the periods from, or to the date, on which control passed to Guernsey Post Limited.

Where necessary adjustments are made to the financial statements of the Subsidiaries to bring them in line with the policies used by Guernsey Post Limited, all intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### Basis of accounting

The financial statements give a true and fair view, comply with the Companies (Guernsey) Law, 2008 and were prepared in compliance with the UK Accounting Standards, including FRS 102 - The Financial Reporting Standard applicable in the UK and Ireland. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

#### Going concern

These financial statements are prepared on a going concern basis.

After making enquiries and reviewing the Group's forecasts and projections, taking account of reasonably possible changes in trading performance in light of current economic conditions which may have an impact the volume of mail handled by the Group, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group, therefore, continues to adopt the going concern basis in preparing its financial statements.

#### Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

##### a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:-

- Note 1 - Business combinations - Basis for determining the value and recoverability of goodwill, amortisation period and the basis

for consolidation

- Note 1 - Business combinations - determination of the amortisation period of goodwill

- Note 3 - Taxation - Basis for determining classification of regulated and non-regulated profits

- Note 15 - Provisions - dilapidations

### b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to amounts reported in the financial statements for the year ended 31 March 2022 is included in the following notes:-

- Note 1 - Tangible Fixed Assets - determination of useful economic life of fixed assets

- Note 7 - Investment Property - determination of fair value of investment property

- Note 9 - Deferred Tax - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

### Basis of measurement

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain assets.

The Group has consistently applied the following accounting policies to all periods presented in these financial statements.

### Turnover

Sales of stamps are accounted for on a receipt of funds basis and no provision is made for postal services expected to be provided for stamps in circulation, as the Directors deem this to be immaterial. All other income from goods and services supplied are accounted for on an accruals basis.

### Other income

Rental income is recognised on a straight line basis over the term of the lease. Interest and investment income is recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

### Expenses

Postal operations expenses are charged as incurred. No provision is made for any charges which may be incurred in handling, or delivering, mail in respect of stamps sold but unused at the Balance Sheet date.

### Taxation

Income tax expense computations are based on the jurisdictions in which profits were earned at the prevailing rates of tax in the respective jurisdictions. The majority of the Group's profits are reported by Guernsey Post Limited (the "Company").

The Company, as a Guernsey Utility Company regulated by the Guernsey Competition and Regulatory Authority ('GCRA'), is subject to the higher rate of income tax of 20% on its regulated income and 0% on its non-regulated income. The basis of assessment to Guernsey tax continues to be on an actual current year basis. Income from Guernsey land is also subject to the higher rate of income tax of 20%.



# NOTES TO THE FINANCIAL STATEMENTS

year ended 31 March 2022

## 1. Significant accounting policies - continued

### Deferred Taxation

Provision for deferred taxation is made in full on timing differences which result in an obligation at the Balance Sheet date to pay tax at a future date, at rates expected to apply when they crystallise based on current tax rates and laws. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### Dividends

Dividends paid are recognised when the obligation to pay has been established and once approved by the Board.

### De-recognition of assets

Non-financial assets are removed from the Balance Sheet, either on disposal, or when they are withdrawn from use and no future economic benefits are expected from their use. In this event, any carrying amount is written off to the Consolidated Statement of Comprehensive Income.

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is more likely than not that an outflow of resources will be required to settle the obligations and the amount has been readily estimated. Changes in the estimated timing or amount of the expenditure are recognised in the Consolidated Statement of Comprehensive Income when the changes arise.

### Impairment of non-financial assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. In the event that there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

### Stock

The cost of definitive stamps, including the non-value indicator self-stick range, is written off over the expected sales life of each type of stamp, which is unlikely to exceed three years. The costs of commemorative stamps, which are only available for one year, are fully written off in the year of issue.

Other stocks are valued at the lower of cost and net realisable value.

### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated

to write off the cost of each asset on a straight-line basis over its expected useful economic life. A full year's depreciation is charged in the year of acquisition, whilst none is charged in the year of disposal.

There are periodic reviews of fixed assets and any adjustments required will be recognised in the Consolidated Statement of Comprehensive Income, as and when identified.

	Estimated useful life in years	Depreciation %per annum
Freehold land	N/A	Nil
Buildings	18 - 50	2 - 12.5
Plant and equipment	15	6.67
Furniture & Fittings	3 - 13	7.7 - 33.3
Postal Machinery	8 - 15	6.67 - 12.5
Motor Vehicles	5 - 10	10 - 20

### Goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where the Company is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is recognised in impairment of intangible fixed assets in the Consolidated Statement of Comprehensive Income.

### Amortisation

Goodwill was acquired as part of the acquisition of Shoal Bay Holdings Limited on the 19 March 2021 (see Note 1 - Business Combinations for more information). Amortisation is being applied on a straight line basis of 10 years.

### Basic Financial Instruments

Cash at banks and investment comprises of cash balances, call deposits and short term investments held with the States of Guernsey Treasury.

Debtors are initially recognised at transaction price less attributable transaction costs. Doubtful debts are recognised when collection of the full amount is no longer probable, with the amount of the expected loss recognised in the Consolidated Statement of Comprehensive Income. These are monitored on an ongoing basis.

Creditors are initially recognised at transaction price. Debtors and creditors due within one year continue to be measured after their initial recognition at the undiscounted amount of cash or other consideration expected to be paid or received.

### Foreign currency

Foreign currency held in any bank account is translated at the exchange rate prevailing at the Balance Sheet date. In the event of any gains or losses arising, these are taken to the Consolidated Statement of Comprehensive Income at the time of translation. All foreign trading transactions are translated into sterling using the prevailing rate on the date of the transaction.

## NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

### 1. Significant accounting policies - continued

#### Pension costs

Guernsey Post Limited has an established defined contribution pension scheme, for which all eligible staff are required to join. Both Guernsey Post Limited and its employees pay contributions into this independently administered fund. The cost of providing these benefits is recognised within the Consolidated Statement of Comprehensive Income, and comprise both the amount of contributions payable to the scheme and associated scheme administration costs for the year.

#### Investment properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the Consolidated Statement of Comprehensive Income.

#### Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognised separately on the face of the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position immediately below goodwill.

On 19 March 2021, Guernsey Post Limited acquired 100% of the ordinary share capital of Shoal Bay Holdings Limited for a total consideration of £4.9m paid in cash.

Shoal Bay Holdings Limited (Incorporated in Jersey) acts as a holding Company to HR Air Ltd (incorporated in Jersey), owning 100% of the ordinary share capital of HR Air Ltd.

The principal activity of HR Air Ltd is to provide courier, freight, warehousing and distribution services from sites in Guernsey, Jersey and the UK.

HR Air Ltd. provides complimentary services to Guernsey Post Limited and is a well established business with strong customer relations, an experienced workforce and the acquisition provides the opportunity to establish synergies and economies of scale through the business combination.

## NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

### 2. Expenses

	31 March 2022 £'000	31 March 2021 £'000
Direct costs	20,878	20,807
Staff costs	14,508	12,713
Directors' remuneration	649	855
Other staff expenditure	926	556
Support costs	2,670	2,648
Operating Lease payments	270	196
Depreciation	948	903
Amortisation of goodwill	342	29
<b>Total</b>	<b>41,191</b>	<b>38,707</b>

Pension scheme payments made into the defined contribution scheme, included within the staff costs heading, were £1,351k (2021: £1,140k).

#### Average full time equivalent employee numbers for the period were as follows:

	31 March 2022	31 March 2021
Operational staff, including postal workers, post office counter staff and philatelic production staff	201	184
All other staff	87	85
<b>Total</b>	<b>288</b>	<b>269</b>

## NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

**3. Taxation**

	Note	31 March 2022 £'000	31 March 2021 £'000
Current year tax		-	-
Prior year tax		-	-
Deferred tax credit in relation to capital allowances	9	-	31
De-recognised deferred tax assets	9	(240)	-
		<b>(240)</b>	<b>31</b>

Guernsey Post Limited, as a Guernsey Utility Company regulated by the Guernsey Competition and Regulatory Authority ('GCRA'), is subject to the higher rate of income tax of 20% on its regulated income and 0% on its non-regulated income. The basis of assessment to Guernsey tax continues to be on an actual current year basis.

Income from Guernsey land is also subject to the higher rate of income tax of 20%.

The actual tax credit differs from the expected tax charge computed by applying the higher rate of Guernsey income tax of 20% as follows:

	31 March 2022 £'000	31 March 2021 £'000
Profit on ordinary activities before taxation	<b>1,996</b>	4,306
Tax at 20%	<b>399</b>	861
<b>Effects of adjusting items:</b>		
Timing differences	<b>33</b>	36
Disallowed items	<b>43</b>	23
Rate differences on current tax	<b>(1,013)</b>	(1,189)
Non-utilised losses	<b>538</b>	269
Current tax credit	-	-
Deferred tax - timing adjustments	<b>(240)</b>	31
Profit and loss taxation adjustments	<b>(240)</b>	31

**4. Dividends on equity shares**

Amounts recognised as distribution to equity holders in the period.

	31 March 2022 £'000	31 March 2021 £'000
Final dividend of 16.5p per share paid in this financial year in respect of the year ended 31 March 2021	<b>1,300</b>	1,444

Final dividend paid last year in respect of the year ended 31 March 2020: 18.3p per share.

The Board is proposing a final dividend of £0.5m in respect of the year ended 31 March 2022 (2021: £1.3m).

# NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

## 5. Goodwill

**Total  
Goodwill  
£'000**

As at 1 April 2021	<b>3,425</b>
Acquisitions through business combinations	-
<b>As at 31 March 2022</b>	<b>3,425</b>

## Accumulated amortisation and impairment

As at 1 April 2021	<b>(29)</b>
Amortisation charge for the year	<b>(342)</b>
<b>As at 31 March 2022</b>	<b>(371)</b>

## Carrying amount

As at 31 March 2021	<b>3,396</b>
<b>As at 31 March 2022</b>	<b>3,054</b>

The goodwill was recognized as part of the acquisition of Shoal Bay Holdings Limited on 19 March 2021.

## 6. Tangible fixed assets

	Motor Vehicles	Land & Buildings	Plant & Equipment	Postal Machinery	Furniture & Fittings	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000	<b>£'000</b>
Opening cost as at 1 April 2021	2,663	12,023	2,662	2,318	2,594	<b>22,260</b>
Opening accumulated depreciation as at 1 April 2021	(1,572)	(3,763)	(2,662)	(1,830)	(2,075)	<b>(11,902)</b>
Opening Carrying amount as at 1 April 2021	1,091	8,260	-	488	519	<b>10,358</b>
Additions	707	66	-	77	158	<b>1,008</b>
Depreciation	(409)	(197)	-	(184)	(158)	<b>(948)</b>
Disposals - Cost	(268)	(515)	-	-	(1)	<b>(784)</b>
Disposals - Accumulated Depreciation	137	515	-	-	1	<b>653</b>
<b>Closing carrying amount as at 31 March 2022</b>	<b>1,258</b>	<b>8,129</b>	<b>-</b>	<b>381</b>	<b>519</b>	<b>10,287</b>
<i>Represented by:</i>						
Closing cost as at 31 March 2022	3,026	11,575	2,662	2,395	2,668	<b>22,326</b>
Closing accumulated depreciation as at 31 March 2022	(1,768)	(3,446)	(2,662)	(2,014)	(2,149)	<b>(12,039)</b>
	<b>1,258</b>	<b>8,129</b>	<b>-</b>	<b>381</b>	<b>519</b>	<b>10,287</b>

Freehold land with a cost of £2,505,000 (2021: £2,505,000) is not depreciated.

## NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

**7. Investment property**

	<b>Market Value 31 March 2022 £'000</b>	Market Value 31 March 2021 £'000
Reconciliation of carrying amount		
Balance at 1 April	<b>860</b>	960
Change in fair value	<b>20</b>	(100)
Balance at 31 March	<b>880</b>	860

Investment property comprises a single property, which is leased to tenants, comprising part residential and part commercial occupancy. Leases for the residential tenants are reviewed annually, whereas the commercial tenant is subject to a 20 year lease with triennial reviews.

Changes in fair value are recognised as either a gain or a loss in the Consolidated Statement of Comprehensive Income within 'Other Income/(Losses)'. All gains or losses are unrealised.

The fair value of the investment property was determined by an external independent property valuer with recognised professional qualifications and recent experience in the location and category of the property being valued on 31 March 2022. The valuation was undertaken by Wing Lai, MRICS, and Joanna Watts, MRICS, from Watts Property Consultants Limited.

**8. Debtors**

	<b>31 March 2022 £'000</b>	31 March 2021 £'000
Trade debtors	<b>4,096</b>	4,443
Less: Provision for bad debt	<b>(7)</b>	-
Other debtors	<b>215</b>	14
Prepayment and accrued income	<b>313</b>	314
Tax debtors	<b>136</b>	136
Total	<b>4,753</b>	4,907

# NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

## 9. Deferred Tax

	<b>Deferred taxation - Accelerated Capital Allowances</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
At 1 April 2021	240	<b>240</b>
Deferred tax credit in relation to capital allowances	-	-
De-recognised deferred tax assets	(240)	<b>(240)</b>
At 31 March 2022	-	-

Deferred tax in the financial statements is measured at the actual tax rates that are expected to apply to the income in the periods in which the timing differences are expected to reverse. As a Guernsey Utility Company regulated by GCRA, Guernsey Post Limited is subject to tax at 20% on its regulated income and 0% on its non-regulated income. Income from Guernsey land is also subject to the higher rate of income tax of 20%.

### De-recognised deferred tax assets

Deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

## 10. Balances with States Treasury

The Treasury Department of the States of Guernsey is engaged to invest the Group's liquid funds in excess of its daily requirements and uses a broad range of investments in which to do so. The investment fund retains a proportion of liquid assets which are made available on call. Variable returns are allocated to the fund dependent upon investment performance.

<b>11. Creditors</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year		
Trade creditors	<b>973</b>	1,499
Other creditors	<b>1,045</b>	1,057
Provisions (see Note 15)	-	299
Accruals and deferred income	<b>1,325</b>	1,474
Rental income paid in advance	<b>14</b>	14
<b>Total</b>	<b>3,357</b>	4,343

Of the £973k of Trade Creditors, £260k is owed to Royal Mail as part of our ongoing contractual arrangements with them (2021: £790k).

## NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

**12. Shareholder's capital**

	<b>31 March 2022</b>	31 March 2021
	<b>£'000</b>	£'000
<b>Authorised</b>		
40,000,000 ordinary shares of £1 each	<b>40,000</b>	40,000
	No of shares	£'000
Allotted and fully-paid	7,886,258	7,886
Opening share capital at 01 April 2021	7,886,258	7,886
As at 31 March 2022	7,886,258	7,886

100% of the shares of the Company are owned beneficially by the States of Guernsey.

Shareholder's capital - represents the nominal value of shares that have been issued.

**13. Operating Leases****Non-cancellable operating lease rentals are payable as follows:**

	<b>Land and buildings</b>	Land and buildings
	<b>31 March 2022</b>	31 March 2021
	<b>£'000</b>	£'000
Less than one year	<b>257</b>	172
Between one and five years	<b>534</b>	476
More than five years	<b>1,506</b>	1,531
	<b>2,297</b>	2,179

Leases of land and buildings are subject to rent reviews at specified intervals, typically annually, and provide for the lessee to pay all insurance, maintenance and repair costs.

The Group leases one property in St Peter Port; 'North Plantation' to run its Business Hub. The group took out a new lease at Bulwer Avenue starting on 12 January 2022 to assist with its operations. In addition, the Group leases property to fulfil its postal operation in Alderney and warehouse spaces in Jersey and Guernsey for the use of HR Air Ltd.

The lease on the Smith Street property expired at the end of June 2021, at which stage the property was returned to the landlord. Two short term leases, originally taken out as a result of the pandemic, also expired during the financial year at the end of June 2021 and August 2021.



# NOTES TO THE FINANCIAL STATEMENTS year ended 31 March 2022

## 14. Related party transactions

The Group is wholly owned and ultimately controlled by the States of Guernsey.

Through the normal course of its business activity, the Group makes both purchases from and provides services to its Shareholder, or entities, under the controlling influence of the Shareholder body. These entities include States Trading Companies, companies whose equity is wholly owned by the States, States Departments and Committees operated by the States. All such transactions have been on an arm's length basis. The total value of the sales for the year ended 31 March 2022 amount to £1,064,463, or 2.5% of total turnover (2021: £1,031,797, or 2.5%). The total value of purchases for the year amounted to £3,334,932, or 8.1% of total expenses (2020: £3,241,359, or 8.4%).

The States also provides, through its Policy & Resources Department, management of the Group's liquid funds in excess of short term needs. At 31 March 2022, the balance held was £7,745,611 (2021: £8,337,850). The investment return for the financial year ending 31 March 2022 was £307,495 (2021: £1,522,329).

Director's remuneration is shown in note 2.

## 15. Provisions

	<b>Dilapidations</b>	<b>Deferred</b>	<b>Total</b>
	<b>£'000</b>	<b>Considerations</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April 2021	<b>49</b>	250	<b>299</b>
Provision (released)/made during the year	(49)	(250)	(299)
Balance at 31 March 2022	-	-	-
Non-current	-	-	-
Current	-	-	-
	-	-	-

### Dilapidations

This provision is in respect of the reinstatement obligations related to the Smith Street leasehold property. The lease on this property terminated in June 2021.

### Deferred Considerations

The purchase of Shoal Bay Holdings Limited on 19 March 2021 included £250,000 of deferred consideration which was paid on 19 September 2021.

### Contingent obligations - Financial Guarantee Contracts

Guernsey Post Limited has financial guarantee contracts in place with the States of Guernsey Customs and Excise and HM Revenue and Customs for £20,000 and £100,000, respectively. In addition, HR Air Ltd has financial guarantee contracts in place with HM Revenue and Customs for £30,000 and Customs and Immigration Services for £1,000. These contingent obligations are in place to provide security in the event that import and export duties paid to Guernsey Post Limited and HR Air Ltd from their customers are not subsequently paid on to the respective authorities. The Group does not carry any liability to either the States of Guernsey Customs and Excise, HM Revenue and Customs or Customs and Immigration, in the event that customers directly withhold payment of import and export duties to Guernsey Post Limited.

## 16. Subsequent events

There have been no significant events between the year-end and the date of approval of these financial statements, which would require a change to, or disclosure in, the financial statements.



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