

**STATES OF ALDERNEY**

**BILLET D'ETAT FOR WEDNESDAY 23<sup>RD</sup> JUNE 2010**

Members of the States:

I have the honour to inform you that the Meeting of the States will be held at 5:30pm on Wednesday 23<sup>rd</sup> June 2010. His Excellency Vice Admiral Sir Fabian Malbon, KBE, Lieutenant-Governor of the Bailiwick of Guernsey will be in attendance. This will be preceded by the People's Meeting, which will be held on Wednesday 16<sup>th</sup> June 2010 at 7:00 p.m. in the Island Hall.

Sir Norman Browse  
President

**Item I**      **Presentation of Warrant**

The representative of His Excellency the Lieutenant-Governor of the Bailiwick of Guernsey will present his warrant of appointment.

**Item II**      **Alderney Potable Water Project - Phase Two - Centralised Filtration Facility at the Battery Quarry**

The following letter has been received from Mr Walden, Chairman of the General Services Committee:-

“Over the last few years the potable water supplies to the Island have been subject to continuous restrictions brought about by below seasonal rainfalls, inadequate raw water collection plus gradually failing infrastructure giving rise to increased leakage. In addition to the water shortage, a series of potable water quality failures in recent times has emphasised the limitations of the decaying water system which has suffered a lack of capital funding for the urgently needed upgrades.

The long term strategy to improve the Collection and Filtration of Raw Water and combine this with a resilient Potable Water Storage/Distribution system has been phased as follows:

**Phase One** A new transfer main 2.5km long between Bonne Terre catchment and Battery Quarry storage reservoir, with three Collection Chambers to harvest the islands higher yielding streams.

**Phase Two** Centralised Filtration facility at Battery Quarry raw water storage reservoir

**Phase Three** New Service Reservoir with increased Storage capacity for potable water.

**Phase Four** Replacement of ageing Distribution Network and life expired plant/machinery not covered in phases 1 to 3 with a rolling upgrade and maintenance programme.

**The Phase One** was completed in March 2009 to enable the transfer of island stream water into the island storage reservoir located at the Battery Quarry. Collection chambers have been installed to harvest the Vallee, Ladysmith and Robin Rock streams.

The success of phase one has realised the following benefits:

1. Improved resilience (The ability of the Island to withstand a shock such as drought).
2. Relaxation of water restrictions.
3. Reduction in Longis Common Borehole pumping, enabling the regeneration of Longis conservation area and nature reserve.
4. Foundation for Phase Two.

**Phase Three** is the installation of a new potable water service reservoir adjacent to Clearmont Farm. The existing service reservoir at the Trigale is an ageing German bunker with a capacity of 4hrs supply. The new facility will be a single service reservoir to provide sufficient capacity for 12 hrs of treated water supply. The intention is to add a second service reservoir of the same capacity when funding becomes available. The combined capacity will provide 24 hours supply of potable water to the distribution system. Phases One to Three were resolved by the GSC at the meeting of the 14<sup>th</sup> of December 2006.

**Phase Four** is the replacement of sections of ageing distribution network and life expired plant/machinery not covered in phases 1 to 3 with a rolling upgrade and maintenance programme. The revision of the Water Board operational procedures is ongoing with the aim that that revenue will meet the new water scheme's operational expenditure. The completion of the phase strategy will provide a secure and resilient water infrastructure, which will meet the long-term needs of the island community.

**Phase Two** of the strategy is covered by this submission and addresses the island's water quality problems through the installation of a Centralised Filtration facility at the Battery Quarry raw water storage reservoir. The Policy and Finance Committee (P&F) resolved to approve a membrane solution as the appropriate method of filtration at the meeting of 16<sup>th</sup> October 2008. Detailed design and costings were drawn up based on the solution and processes adopted by Guernsey Water. The solution made provision for raw water pre-treatment, a protective cover for the plant and a works complex for the Alderney Water staff. Recent water quality failings have increased the urgency of need and at the P&F meeting of 1<sup>st</sup> March 2010 the Committee resolved to: **“approve that a tender process for a membrane water filtration system, be prioritised over the full system proposed in the presentation, to be installed in the earliest possible time”**. Given the current financial constraints, the pre-treatment and building aspect of the original solution has been deferred. The chosen form of tender was a performance specification to meet the requirements within the constraints of Alderney Water. The tender was issued to those companies capable of meeting the requirements within the specification and timeframe. The requirement is to provide water quality to the standards of the UK Drinking Water Inspectorate (DWI). To reduce the costs of buildings, a packaged solution in containers was sought. This option offers protection to the process plant and can be installed quickly.

The three companies with the necessary capability were:

1. General Electric Water & Process Technologies
2. Siemens - Memcor
3. Pall Filtration

Three tenders were returned but one was deemed not compliant with the tender instructions and not carried forward. The two remaining tenders were opened at the GSC meeting of 31<sup>st</sup> March 2010.

The commercial offers from the compliant tenders were noted as follows:

Pall Aria packaged system	£544,000.00
Siemens Memcor Option 3	£398,582.00
Siemens Memcor Option 2	£366,703.00
Siemens Memcor Option 1	£298,029.00

Given the design and build, nature of the tender process each offer was evaluated against the performance criteria laid down in the tender documents. To achieve impartiality and objectivity the GSC appointed Guernsey Water to undertake the evaluation process. Guernsey Water presented its recommendations to the GSC at the 19<sup>th</sup> May 2010 meeting where it was resolved to **“Accept the recommendation to purchase option 3 plant from Siemens – Memcor.”**

The recommended site is adjacent to the existing filter at the northern end of the Battery Quarry. Based on this site the total project costs are:

Option 3 Ultra Fine Membrane process plant	£398,582.22
Option 3 Spares & Shipping	£ 41,330.78
Mechanical & Electrical (M&E)	£147,583.60
Other	£112,374.61
<b>Total Project Cost including enabling works to date is:</b>	<b>£699,871.21</b>

The ground works and M&E aspects of the projects will be carried out by the Alderney Water Board and island contractors. The engineering support and supervision of the work will be by a qualified engineer employed specifically for the water capital projects.

The immediate benefit of stage two will be:

1. Drinking water quality to the standard of UK Drinking Water Inspectorate (DWI)
2. Protective barrier against known threats.
3. Relaxation of certain catchment control measures.
4. Less risk to public health

**Funding of the Project** As previously reported the Water Board does not have sufficient reserves in order to fund this capital investment. Phase 1, at £349,000 was funded by a grant from the States of Alderney. It is anticipated that Phase 2 will be funded in a similar manner, or by a loan, or a combination of both, and is subject to further discussion with Treasury & Resources Department in Guernsey.

It is therefore proposed that the method of funding is delegated to the Policy and Finance Committee for approval, following the discussions with Treasury and Resources.

The above recommendations were approved at the Policy and Finance Committee meeting held on 24<sup>th</sup> May 2010. I would be grateful if you would place this matter before the States with appropriate propositions.

W. Walden  
Chairman”

**The States is therefore asked to resolve, after consideration of the above report from the Chairman of the General Services Committee, and subject to approval by the Guernsey States of Deliberation to:-**

1. **Approve Phase 2 of the Potable Water project as detailed in the above report.**
2. **Accept the tender from Siemens – Memcor in the sum of £398,582.22 for Option 3 - Siemens Memcor XP plant (2 x XP60) and ancillaries.**
3. **Approve the total expenditure of up to £700,000 (including the above tender) to implement Phase Two of the Potable Water Scheme.**
4. **Delegate the Policy and Finance Committee to approve the method of funding for the project, following the discussions with the Guernsey Treasury and Resources Department.**

### **Item III      The States Water Supply (Rates of Charge) (Alderney) Ordinance 2010**

The following letter has been received from Mr Walden, Chairman of the General Services Committee:-

“In 2006 the States agreed to increase Water Rates by 10% in order to cover rising costs. This increase followed a period of many years when annual increases did not cover the increase in expenditure, thus the Board’s cash reserves were steadily depleted. The cash reserves are intended to pay for capital works but since no major projects were planned, the depletion was allowed to continue.

Therefore in 2006, the States advised that this level of increase would be insufficient to eliminate the deficit on the revenue account and that further annual increases of a similar order would be necessary in future years. As predicted, since 2006 increases of approximately 10% have been agreed and implemented.

Having reviewed the forecast of expenditure for 2010 my Committee is proposing (as budgeted) a general increase of 10% again this year for unmetered and metered supplies, with an increase in the minimum, and standing charge to £50 per quarter. This proposed increase will come into effect from the quarter commencing 25<sup>th</sup> June 2010, which will be reflected in the September Water Rate accounts, as rates are charged in arrears.

Although the Board generated a small operating surplus in 2009 of £23,459, a budgeted deficit for 2010 of £47,700 is predicted, as highlighted in the budget report. This is due to increases in the operating costs, resulting from capital expenditure on new equipment to upgrade the system, together with staff training etc.

The Board has also carried out a review of the sundry charges relating to non metered consumers, in order to update and simplify the system; these are shown on the schedule attached to the Ordinance listed 1 to 9. The current schedule is also listed as Appendix 1 for information purposes only. Items 1,2,3,5, have been increased in line with the minimum charge, or percentage of the minimum charge, as per previous quarters. Proposed changes to other categories include:-

No 4. Supply to guesthouses, boarding houses or hotels – this charge is based on the approved head of accommodation each year for hotels and guesthouses. It is now proposed that the charge is extended to include self catering properties in order to bring them in line with other tourist businesses. It is also proposed that rather than charging this account on one quarter’s rates only, that this is invoiced quarterly in order to spread the cost more evenly throughout the year.

A 10% increase to this charge is proposed. It is also proposed to delete boarding houses as we do not have any premises in this category.

Previous No 6 - Supply to greenhouses of floor area greater than 250 square feet - it is proposed that this category is removed, and charged solely on the TRP unit value instead.

6. Supply in respect of buildings in the course of construction – it is proposed to increase by 10%, adjusted accordingly in order to amend from square feet to square metres in order to tie in with the TRP unit.

7. Service connection – an increase in the minimum charge to £450 in order to cover cost of Water Board labour and materials.

Previous No 8 - Supply in respect of walls etc in the course of construction – category removed as it is obsolete.

8. Permit for sprinkler/irrigation system – as mentioned elsewhere in the submission the Board are looking to grant permits for community purposes only, and this new category proposes a one-off charge on approval of a permit.

9. Disconnection or re-connection fee – an increase of 10% from £75 to £82.50 is proposed.

The net effect of all the above increases is expected to generate additional revenue of £13,000 per quarter. However this figure is approximate as metered usage varies according to demand, weather etc, and building charges, service connections etc are variable.

It should be noted however that even with the proposed increase, Water Rates in Alderney remain considerably lower than those charged in Guernsey. For example a property with a TRP value of 194 currently pays £106.47 per quarter in Guernsey compared with £58.20 in Alderney.

As previously reported to the States, substantial capital investment is required in order to improve the Board's infrastructure and to ensure that the island's water supply can be maintained at an acceptable standard. The main problems were quantity and quality of water. Phase 1 of the capital investment program, relating to the installation of the raw water rising main, and stream collection chambers is complete, and as a result both Corblets and Battery Quarries are full despite the recent drought. These unprecedented summer levels in the quarries would seem to indicate that the problem of quantity is now resolved. The next phases address water quality. Phase 2, also forming part of this Billet D'Etat, is essential to improve the level of water filtration. The treated water is currently stored in the Trigale tank, our sole storage reservoir and is limited to 4 hours supply. Phase 3 will add further storage of 12 hours supply. This will reduce the out-of hours works of ensuring the existing tank is full, meaning that more improvement works can be undertaken in the working week. In addition to this, the island's water distribution network is aged and in need of works to reduce the amount of leakage, shut-downs for repairs and the need for higher chlorine levels. The work will be undertaken over the next decade with the aim of safely providing a plentiful supply of consistently good-quality water to meet the island's needs.

In order to assist with the current problems regarding storage capacity the Water Board is proposing that future restrictions should be imposed on the use of sprinklers/irrigation systems, with permits granted only for those who require the use for community purposes i.e. sports etc.

A draft Ordinance entitled "The States Water Supply (Rates of Charge) (Alderney) Ordinance 2010" is attached, which if approved will bring the revised rates into effect from the quarter commencing 25<sup>th</sup> June 2010.

I would be grateful if you would place this matter before the States of Alderney with an appropriate proposition.

W. Walden  
Chairman"

**The States is asked to approve "The States Water Supply (Rates of Charge) (Alderney) Ordinance 2010".**

**Item IV**      **The Building and Development Control (Alderney) (Amendment of Law and Fees) Ordinance, 2010.**

The following letter has been received from Mr Sargent, Chairman of the Building and Development Control Committee: -

"A full review of B&DCC fees has recently been carried out and amendments drafted by the Law Officers.

The existing method of charging is based on the floor area of the works involved, which is not always considered to be a fair or practical means of calculating the fee, and can also be open to misinterpretation.

The proposed new fees structures, for development permission and Building Regulation approval, are intended to make the system clearer to understand, whilst the levels of fees aim to reflect the amount of administration actually involved in processing the applications.

It should be noted that many works are now exempted from development permission under the Building and Development Control (Alderney) (Exemptions) Ordinance, 2007. For example, works which may be exempt range from the installation of a satellite dish to the erection of a freestanding garage.

I would be grateful if The Building and Development Control (Alderney) (Amendment of Law and Fees) Ordinance, 2010 is placed before the States when it next meets together with an appropriate proposition.

G. Sargent  
Chairman"

**The States is asked to approve "The Building and Development Control (Alderney) (Amendment of Law and Fees) Ordinance, 2010".**

**Item V**      **The Charities and Non Profit Organisations (Registration) (Guernsey and Alderney) (Amendment) Law, 2010**

The following letter has been received from the President:-

"Please find enclosed a letter from the Bailiff dated 28 May 2010 seeking approval of the above law.

I would therefore be obliged if you would debate this matter at your meeting on 23<sup>rd</sup> June 2010 and give your approval as set out in the letter.

Sir Norman Browse  
President"

**The States is asked to approve “The Charities and Non Profit Organisations (Registration) (Guernsey and Alderney) (Amendment) Law, 2010 ”.**

(Note: A copy of the Projet de Loi is available for viewing at the States General Office and the library.)

**Item VI      Green Paper - Planning Obligations and Community Gain**

The following Green Paper has been received from Sir Norman Browse, President States of Alderney:-

“Over the past few years I have become increasingly concerned at the lack of clear guidelines about various aspects of States’ policies, particularly regarding land use, land development and housing policy.

We have a Land Use Plan which provides guidelines (that are not legally binding) on how specified areas may be used and the ideal density of housing in specified housing areas and a Building and Development Law but nothing which defines Planning Obligations or Community Gain.

Much of what the States does arises from *ad hoc* committee decisions which are sometimes based on precedents, rarely facts, and often vary according to the whim of the current committee membership.

A minor example. Do keen gardeners know that many years after planting a tree in their garden they will have to get States’ permission if they want to cut it down and that they will also be asked to pay for a replacement somewhere on the Island? Why should they? This “rule” was introduced because the Building and Development Control Committee thought that the Island was short of trees and that stopping tree cutting was a community gain. But no evidence was produced about the density of our tree population compared to that of other islands to justify this view. It was the start of the notion of community gain.

A more serious major example. Developers are now being asked to contribute part of their development to the States for what is claimed to be Community Benefit, e.g. cheaper or rentable housing. But there is no written enforceable legislation or guidance for developers to consult before they buy some land or decide to promote a development.

The U.K. has a multitude of Town and Country Planning Acts and has set out the principles of Planning Obligations and Community Gain in ODPM Circular O5/2005 Annexe B. I quote from some of its statements:-

1. *Planning obligations are intended to make acceptable a development which would otherwise be unacceptable in planning terms.*  
(Note: the initial rejected Grand Hotel scheme was actually acceptable in planning terms as it conformed with the Land Use Plan density requirement.)
2. *Planning permission may not be bought or sold.*  
(Note: is not demanding the use of part of a development for specific States use e.g. demanding part of the Penguin Site for housing for teachers and police staff, the equivalent of buying or selling?).
3. *Planning obligations should be necessary from a planning point of view (i.e. conform to States planning objectives) and directly related to the proposed development.*

4. *Planning obligations should be fairly and reasonably related in scale and kind to the proposed development and reasonable in all other respects. They should not be used solely to resolve existing deficiencies in infrastructure provision **or to secure contributions to the achievement of wider planning objectives that are not necessary to allow consent to be given for a particular development.***
5. *A requirement because of a planning obligation for the provision of an element of affordable housing should be in line with the local Development Framework. It should identify the need and set site and size thresholds above which the provision of a specified proportion of affordable housing would be expected.*  
(Note: We do not have a local Development Framework)
6. *In order to allow developers to predict their likely contributions, local authorities should include in their published documents as much information as possible.*
7. *The public should be given every reasonable assistance in locating and examining proposed and agreed planning obligations.*
8. *There is a choice between imposing conditions and entering into (i.e. agreeing), a planning obligation*  
(Note: in the UK a developer has the right to appeal against an imposed condition).

I have submitted this paper for discussion at a meeting of the full States before it is passed on to the relevant committees because it is important that these topics are considered and discussed widely by the people as well as the States Members.

I do not believe we should copy UK laws but stress that we must enunciate clear cut, written, approved policies.

I should also clarify my personal views on one aspect of planning policy. I strongly disapprove of the policy of extracting Community Gain. To me Community Gain is bribery by the developer and/or extortion by the States. "We will allow you to break our rules provided you pay us in some way". It is the equivalent of plea bargaining. To me it is immoral but to some it is "business". Whatever your individual view may be it is deceitful for the States to allow individuals to purchase land and propose any development without there being a clear policy available to guide them.

Sir Norman Browse  
President"

## **Item VII**    **Questions and Reports**