

# STATES OF ALDERNEY



# BILLET D'ETAT

WEDNESDAY 19<sup>th</sup> DECEMBER 2012

Price: £1.90

**STATES OF ALDERNEY**  
**BILLET D'ETAT**  
**FOR WEDNESDAY 19<sup>TH</sup> DECEMBER 2012**

***Members of the States:***

***I have the honour to inform you that a Meeting of the States will be held at 5:30 pm on Wednesday 19<sup>th</sup> December 2012. This will be preceded by the People's Meeting, which will be held on Wednesday 12<sup>th</sup> December 2012 at 7:00 p.m. at St Anne's School (not the Island Hall).***

***W Stuart Trought***  
***President***

**Item I**      **Grant to Alderney Housing Association – Grand Hotel Site**

**The following letter has been received from Mr Beaman, Chairman of the Policy and Finance Committee:-**

“In 2009 the States agreed to the formation of the Alderney Housing Association (AHA), in order to take over the responsibility for social housing, and to extend this to provide partial ownership for suitably qualifying Alderney residents.

In addition to this on 24th April 2012 the Policy and Finance Committee approved a planning agreement with Grand Hotel Developments Ltd in respect of permission to develop the former Grand Hotel site, whereby they are committed to provide 6 two bed flats for a pre-agreed price of £413,280 as social housing to AHA. This acquisition price is being funded solely by the AHA by bank loan and rental income.

Within the planning agreement is also an option to agree terms on a further 3 two bed flats and 4 three bed houses. The AHA has been in negotiation with Grand Hotel Developments Ltd and is now in a position to exercise this option to build under a single Land and Build contract. AHA has forwarded a business case to the Policy & Finance Committee in respect of the funding of the project, overall totalling £1,465,246. This is to be funded by bank loan, partial ownership sales receipts together with grant funding from the States of Alderney amounting to £296,000. This is significantly less than the amount included in the States of Alderney 2013 budget at £636,000, as at the time of compiling the budget there were a number of development options available to the AHA.

The Policy & Finance Committee agreed to the grant funding at their meeting held on 27<sup>th</sup> November, subject to planning permission being granted. In reaching this decision it was noted that this project could be a significant investment to the local building industry, as the developers are seeking to use local builders. Assurances have also been provided in that at the commencement of the contract AHA becomes the freeholder of the land, and construction payments will be staged and subject to standard controls on quality, performance, default and final landscaping etc.

A map is attached, showing the area concerned outlined in black.

I would be grateful if this could be placed before the States at its next meeting together with appropriate propositions.

John Beaman  
Chairman, Policy & Finance Committee"

**The States is asked to approve awarding a capital grant to the Alderney Housing Association of £296,000 towards the development of social housing units, for rental and partial ownership, at the Grand Hotel Site.**

**Item II**      **Harbour Office Replacement**

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

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1. *The existing harbour office is failing structurally resulting in ingress of water and vermin which has resulted in damage to key navigational & electrical equipment. The proposal to replace the harbour office has been under consideration for a number of years and various schemes have been considered. BDCC unanimously approved the planning application for the current proposed building at its meeting of 8<sup>th</sup> June 2010.*
2. *In April 2012, the General Services Committee requested that WT Partnership of Guernsey (Quantity Surveyors) provide indicative costs for three different redevelopment options of the proposed building at the current location. On 15<sup>th</sup> May 2012 the General Services Committee considered a paper from the States Engineer dated 9<sup>th</sup> May 2012 which provided these costs and options. The resolution of that meeting was:*
  - a) *Pitched Roof, with staircase and electrical fittings to the upper floor;*
  - b) *Engineer to invite expressions of interest for the work; and*
  - c) *The preparation of tender documents for the redevelopment.*
3. *Expressions of Interest were subsequently invited from local construction companies and four companies responded and were subsequently issued with the tender documentation. All four submitted a tender.*
4. *An initial Project Board was formed consisting of the Chief Executive, States Engineer, States Treasurer and Harbour Master.*

*The Project Board were advised by Darren Keung from Hamon Architects who was appointed to carry out the tender evaluation process. Nigel Carter from WTP (quantity surveyors) has also been advising as has Henderson Green, mechanical engineers, and their professional assistance has included:*

- *Assessing the tender returns against the necessary scope of works*
- *Requesting clarification from tenderers of any unclear areas to ensure parity of tendering*
- *Identifying the extent and nature of additional work and assessing the relevant costs*

*The quantity surveyors provided a report and analysis of the tenders.*

5. *Subsequent to this tender report and analysis, interviews were arranged with the three valid tenderers to assess the detail of their assumptions, methods and programmes.*

6. *The project board considered the conclusions of these interviews and recommended that AJ Bohan be appointed to undertake the work.*
7. *The Project Board was keen to ensure that all costs had been included and undertook an exercise to ensure that had happened. The Project Board has therefore assessed costs for all aspects of the work and the presented the findings to both the General Services Committee and the Policy and Finance Committee.*
8. *The General Services Committee, at its meeting of 13<sup>th</sup> November 2012, approved the appointment of AJ Bohan for the construction of the replacement Harbour Office and approved in principle the piling tender from Geomarine at a cost of £18k.*

*GSC requested the Project Board reassess the project costs to identify savings prior to approval from the Policy and Finance Committee at the November meeting. This was done and Policy and Finance Committee approved the amended proposal at its meeting on 27 November 2012.*

*W Walden  
Chairman, General Services Committee*

**The States is asked to approve:**

- a) **that the construction of the replacement harbour office is undertaken by the preferred tenderer AJ Bohan;**
- b) **that the subcontract for piling is awarded to Geomarine; and**
- c) **a budget of £610,000 (in addition to preliminary costs already approved) from Capital funding, which includes the demolition, construction, relocation, professional fees and a small contingency for the redevelopment of the harbour office.**

**Item III**      **Green paper - Future Economic Planning for the Island Of Alderney: A Roadmap**

**The following letter has been received from Mr W Stuart Trought, President of the States of Alderney:-**

*"I have received the following Green Paper from Mr Birmingham:-*

*During the spring of 2011 the States of Alderney Policy & Finance Committee resolved to undertake a process in order to develop a strategic economic plan for the Island of Alderney.*

*It has been perceived by many that historically there has been an absence of focus by the States on the overall condition of the island's economy, and this has led to a lack of co-ordinated strategic planning on economic matters.*

*The worldwide economic downturn that ensued after the banking crisis of 2008 seemed to bring into sharp relief, in the minds of many, the long term structural economic problems of the island, particularly in the gradual decline over decades of many traditional Alderney business sectors.*

*For example, the number of boats operating in the fishing industry has been in sharp decline over the last two decades for a variety of reasons. Despite this dramatic reduction in numbers in employment in this sector, fishing is still responsible for the majority of Alderneys physical export market. However the evident lack of young*

*people entering into the industry may mean that shortages of on island skills, such as boat handling, may have already started to occur.*

*Tourism has been suffering from similar difficulties under the combined attack of increased competition as a result of an increase in the number of low cost air fare destinations, along with increasing air fares, whilst increases in indirect taxes have removed the islands previous perception as a cheap holiday destination. High cost of utilities and food, place extra pressure on this sector's profitability. Further the island has seen the loss of four significant hotels (Grand Hotel, Connaught, Inchalla, Devereux) over the last 30 years, whilst one remains currently closed (Chez Andre). This totals in excess of 150 beds and represents a reduction of well over a third in capacity.*

*The agricultural and industrial sectors have all but vanished. The production of spring flowers and early season vegetables has ceased totally, along with quarrying and most on-island manufacturing, apart from some very small and specialist companies. The exception being the island farm which maintains island milk production and some associated dairy and meat products.*

*Retail also has been shrinking over time as shopping habits have changed. The difficulties caused by increased competition from the internet and the problems of limited market size are well known.*

*The construction sector had remained fairly buoyant over the last 30 years and to some extent had taken up the slack in employment in the manual labour market caused by the contraction of other sectors, but the banking crisis and the subsequent restriction in available credit in the housing market has dramatically put the economic brakes on this sector. As the housing market has stalled, "churn" in house sales has reduced leading to decreased levels of building improvement work. The tightening of household budgets has also had an effect. This has led to a 'make do and mend' mentality, whilst at the same time an emphasis on paying down levels of personnel debt has come to the fore. The figures for congé in Alderney from the last eight years show the current low level of turnaround in the housing market compared to most of the "noughties".*

*However, employment in the finance sector has continued to remain relatively solid. Jobs in back office roles in areas such as trust company formation and gambling support, remain steady and from the perspective of government finance, the income received from gambling licensing has remained strong. But the recent changes in Low Value Consignment Relief and the drastic effect that this has had on the Channel Island fulfilment sector show the potential difficulties for economies that are inadequately diversified. That lack of diversity can mean that in a relatively short space of time, those economies can be severely affected by policies implemented by external jurisdictions. In such a situation, there can be severe implications for such a jurisdiction when there are sudden changes in the status quo,*

*It is only sensible to take the view that action must be taken to try to solve some of the systemic deficiencies present within the island's economy especially in terms of managing the decline of traditional sectors, while at the same time attempting to diversify the island's economy as a whole to help "shock proof" it for the future.*

*The Policy and Finance Committee have therefore agreed to the publication of the green paper **"Future Economic Planning for the Island Of Alderney: A Roadmap"**. There will be a full consultation to accompany the publication and everyone who has an interest in this important topic is invited to respond.*

*The report is available for download from the States of Alderney website and any contributions and observations are asked to be directed in writing to the Chief Executive's Office marked Economic Planning Consultation by February 28<sup>th</sup> 2013.*

*Matt Birmingham"*

**Item IV**      **Policy & Finance Committee – Annual Report for 2012**

**The following letter has been received from Mr Beaman, Chairman of the Policy and Finance Committee:-**

*“In accordance with States Resolution VII(1) of the 4<sup>th</sup> May, 1977, I attach hereto the Annual Report of the Policy and Finance Committee for 2012.*

*I would be grateful if you would place this Report before the States with an appropriate proposition.*

*J Beaman  
Chairman”*

**The States is asked to accept the Annual Report for 2012 of the Policy and Finance Committee.**

**Item V**      **The Building and Development Control Committee – Annual Report for 2012**

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

*“In accordance with States Resolution VII(1) of the 4<sup>th</sup> May, 1977, I attach hereto the Annual Report of the Building & Development Control Committee for 2012.*

*I would be grateful if you would place this Report before the States with an appropriate proposition.*

*G Sargent  
Chairman”*

**The States is asked to accept the Annual Report for 2012 of the Building and Development Control Committee.**

**Item VI**      **General Services Committee – Annual Report for 2012**

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

*“In accordance with States Resolution VII(1) of the 4<sup>th</sup> May, 1977, I attach hereto the Annual Report of the General Services Committee for 2012.*

*I would be grateful if you would place this Report before the States with an appropriate proposition.*

*W Walden  
Chairman”*

**The States is asked to accept the Annual Report for 2012 of the General Services Committee.**

**Item VII**      **Swearing in of President W Stuart Trought for the period 1 January 2013 to 31 December 2016**

The re-elected President of the States of Alderney will take the oath of office.

**Item VIII**    **Questions and Reports**

**Issued: 7<sup>th</sup> December 2012**