



**OFFICIAL REPORT**

**OF THE**

**STATES OF GUERNSEY**

**SCRUTINY MANAGEMENT**

**COMMITTEE**

Environment & Infrastructure  
Public Hearing

**HANSARD**

**Guernsey, Wednesday, 15th November 2017**

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**Members Present:**

*Panel Chair:* Deputy Chris Green  
Deputy Laurie Queripel  
Advocate Peter Harwood – Non-States Member  
Mrs Gill Morris – Non-States Member  
Miss Suzanne Randle - Scrutiny Officer  
Mr Alistair Doherty – Advisor

**Business transacted**

<a href="#"><u>Procedural – Remit of the Committee</u></a> .....	3
<a href="#"><u>EVIDENCE OF Deputy Barry Brehaut, President, Deputy Mark Dorey, Vice-President, Mr Jon Buckland, Chief Secretary, Committee for Environment &amp; Infrastructure</u></a> .....	3
<a href="#"><u>The hearing adjourned at 12.14 p.m.</u></a> .....	42

# Scrutiny Management Committee

## Environment & Infrastructure

*The Committee met at 10.00 a.m.  
in St Martin's Parish Hall*

[DEPUTY GREEN *in the Chair*]

### **Procedural – Remit of the Committee**

**The Chairman (Deputy Green):** Good morning. Some formalities before we start, to remind people to turn off their mobile phones or put them on silent.

Just to remind everybody, that this is a formal parliamentary proceeding. Everything is being recorded, so there will be a *Hansard* transcript in due course and, obviously, this meeting is being held in public. Members of the public are entitled to be here, clearly, but not entitled to ask questions.

### **EVIDENCE OF Deputy Barry Brehaut, President, Deputy Mark Dorey, Vice-President, Mr Jon Buckland, Chief Secretary, Committee for Environment & Infrastructure**

**The Chairman:** Without any further ado, can we just start with the witnesses, if you can introduce yourselves, starting with Deputy Dorey.

**Deputy Dorey:** Deputy Mark Dorey, Vice-President of the Committee for the Environment & Infrastructure.

**Deputy Brehaut:** Barry Brehaut, President of the Committee for the Environment & Infrastructure.

**Mr Buckland:** Jon Buckland, Chief Secretary of the office of the Committee for the Environment & Infrastructure.

**The Chairman:** Right, without any further ado, could we start with housing?

We obviously have seen and read the KPMG Report, which came out in the summer. Your Committee, Deputy Brehaut, has given a commitment to deliver a Policy Letter to the States, together with the Committee for Employment & Social Security, responding to the KPMG Housing Review. When can we expect the States to debate the KPMG Housing Review? Will it be any time soon?

**Deputy Brehaut:** Is this microphone working, or is it just for recording purposes? Sorry. Does it make any difference whether I speak into it or not? Yes. Okay.

There are a number of recommendations in the KPMG Review, which, of course, do not all sit with E&I. So, some of the recommendations would have to be considered by the other Committee that commissioned the Report, the Employment & Social Security. Economic Development, there are a number of observations, for example, on issues like banking; the loan provision within the Island and there are other recommendations that sit with Committees outside of the two Committees that commissioned it.

We need to consult with them, to see whether the recommendations are workable, whether it is deliverable for their respective Committees and, with regard to any time soon, we are under Resolution to report back to the States and, the moment we have collated that information, we will do just that.

**The Chairman:** Wasn't the Policy Letter expected in quarter four of 2017?

**Deputy Brehaut:** From recollection, I do not know what commitment was given. I think the KPMG, generally, the review just needs a bit of context, if you just indulge me for a moment.

Historically, the work that had been carried out by the likes of Mike Parr, and there were two reports with regard to the housing market, were extremely thorough and technical pieces of work.

If you look at the context for the KPMG review, which was probably the Soulsby amendment, which let us begin to understand what the need is for housing, and if we look at the nature of the piece of work delivered by KPMG, it was of a different, perhaps a lesser magnitude.

The observations that have been evidenced within the KPMG Report are not potentially ground-breaking or new.

I think, what they are doing is nudging political Committees into a position, which is: this is where the community are on this; this is where the industry is on this; what can the States do to assist, for example, first-time buyers? Now, the industry was saying that what they wanted was a deposit scheme for first-time buyers. So, they were saying, to get the market moving, what you need is to give loans to people, first-time buyers, to help them get the deposit.

That recommendation does not sit within the body of the Report. They do not say that. They say that, actually, it may make sense to have some Document Duty relief, both for first-time and last-time buyers.

It did not, I suppose, deliver perhaps at the time what the market was expecting and, actually, because of the nature of these things and the length of time it took KPMG – and in my view, I have to say, just to place on record, I do not mind saying it probably took too long for KPMG to report back, which is why we are likely to miss that commitment that you referred to earlier – for those members of the building industry and other representatives of the community, the Report probably did not give them what they were looking for. But of course, the market has picked up in the meantime, since, as well.

**The Chairman:** There have been some concerns expressed about the nature of the Report. I think you alluded to that just a moment ago.

Is that has the KPMG Report actually taken us any further forward? Many people think it was quite a damp squib.

**Deputy Brehaut:** I think it has taken us forward, to a degree, because any Report that instructs Committees to work collectively, bearing in mind, under the new system, we own the housing policy. Our colleagues at Social Security own social housing. So, any Report that gets people collectively under the same umbrella, discussing those recommendations, I think, is worth pursuing.

I would just reiterate my personal opinion that the market has moved on since the Report.

80 What Parr did, earlier on, some years ago, was to really understand what is Government's place in the housing market, what should Government do by way of assistance, is it appropriate? I think KPMG does not really go into any detail on that, other than to formulate recommendations in that area.

**The Chairman:** Do we really need a UK consultant to come in and tell us that we have to work collectively, though?

85 **Deputy Brehaut:** I beg your pardon? Could you ask that again?

**The Chairman:** Do we need a UK consultant to come in to tell us to work collectively on something?

90 I take your point about the fact that housing policy is split between your Committee, another Committee, the Employment & Social Security Committee. We always knew that, but what I am trying to get at, and if I can push you on this, what is the added value that the KPMG Report on the housing market has actually provided?

What do we know now, as a result of that Report, that we did not know before?

95 **Deputy Brehaut:** My history within local politics has been I was a non-States' member of the Housing Department for four years, I then became a member of the Housing Authority as it was; I then became a member of the Housing Department.

100 Actually, not unlike Deputy Dorey, I was steeped in housing long before any review was commissioned and had an appreciation of the issue. So, from a personal perspective, we were revisiting a number of issues.

There is a procurement exercise, where companies are invited to tender, terms of reference are written, and it was decided that KPMG represented value for money and undertook the review.

105 I think there is, at times, and I think certainly with regard to infrastructure projects, when external consultants have carried out a great deal of work worldwide and have an extensive knowledge base, it makes absolute sense to listen to that advice.

I do not want to say that, because they are an external body, we should not pay heed, I am just saying, from a personal perspective, having been involved in housing for some years, that the Report was not breaking any new ground, in my personal view.

110 **The Chairman:** Mrs Morris?

**Mrs Morris:** Do you think that that might be because the terms of reference were not pointing KPMG where they needed to go?

115 Certainly, we have had experience of a small tweak or two, in terms of reference, can yield you a very different result and a more meaningful result.

120 **Deputy Brehaut:** The terms of reference, I think, were well-drafted, actually. I think it is also fair to say that, in final conversations had – both at political and, certainly, at staff level – if I could be candid and say there was a concern that in some areas not all the terms of reference were addressed and that would be resolved at staff level, ultimately, with final sign off, financially, if I can put it that way, with KPMG.

**Mrs Morris:** Thank you.

125 **The Chairman:** So, are we further forward, then, do you think?

**Deputy Brehaut:** I think we are further forward, but I think, perhaps, sometimes, we may assume that politicians and policy have more of an influence on a marketplace than they actually do and that the market was in a place where it had lost confidence. People had their own interpretations of why that was the case and people, certainly, had ideas of what the remedies were for the housing market.

But actually, housing trundled along and picked up, but what we need to do, as a Government, is try and ensure, where possible you do not get this peak and trough. So hopefully, what the Report will help us do is perhaps in the future when there are signals, when there are things being flagged up, we can interpret those and act more readily and speedily, rather than observe a potential dip, just to see what influence Government can have, arguably.

**The Chairman:** Deputy Queripel, or Advocate Harwood, do you have any questions?

**Advocate Harwood:** Can I just follow up on the terms of reference? Ultimately, were those set by your Committee, or was it a combined approach from several Committees?

**Deputy Brehaut:** It would have been both Employment & Social Security and our Committee would have had input on the terms of reference.

**Advocate Harwood:** But ultimately, who actually has ownership of those terms of reference?

**Deputy Brehaut:** It is a joint Report, so both Committees have ownership. I just want to make this observation early on, I think, because it is important. What is different about the new system of Government, you will notice, is that the IDP was a joint report, so it was the DPA and Environment & Infrastructure bringing a joint report. Waste exportation, that was STSB and E&I bringing a joint report to the States.

So there is more actual joint working, which means that terms of reference for reporting back to both Committees will be approved by both Committees.

You wanted to say something, Mark?

**The Chairman:** Deputy Dorey.

**Deputy Dorey:** You asked what was gained from it. I think the situation with the lending market in Guernsey was clarified and the numbers of lenders; how we are dependent on very few lenders. A change in policy could have a dramatic effect and changes in the amount of money lent by those institutions changed dramatically over the years.

All change, inevitably, affected the market.

So, I think that situation was outlined.

Also, the problem with first-time buyers and deposits was clarified and the fact that, actually, Document Duty for those would be a primary help to the marketplace, rather than perhaps having other schemes, which were opposed by various industry people, prior to the review.

So, I think those were two areas that were particularly shed light on by the review.

**The Chairman:** Are we saying there is no particular indication, at the moment, that a Policy Letter is imminent –

**Deputy Brehaut:** It is quarter one next year. That was the note that I could not read when you asked me the last question, I beg your pardon, sir.

**The Chairman:** Quarter one, 2018. Thank you for that.

The cost of that Report was a little under £100,000, was it not? Was that really money well spent, do you think, Deputy Brehaut?

180 **Deputy Brehaut:** It never ceases to surprise me, I will not say amaze, what reports can cost. I think, if you are undertaking a review of this nature, that is what you pay in the marketplace.

How you, then, attribute, the value of policy set against the actual cost of a report, I think, is perhaps a longer conversation.

185 But I think we paid an appropriate amount for a report of this nature. There was a tender process and there is a process to appoint people, after all, is there not?

**The Chairman:** Advocate Harwood?

190 **Advocate Harwood:** Could you ever process a report from your own resources, i.e. staff resources, and your budgetary resources?

**Deputy Brehaut:** No, we could not have done that.

I think there is a view out in the community that there are a number of staff of a given ability that could write a report as well as do their day job. Within E&I, we do not have that.

195 If we looked to whether our colleagues at ESS, their chief officer is at Education, they have got their deputy chief secretary acting up. There are senior people who can undertake significant bodies of work like this and we do not have them. I would go further and say we do not have them in the number we would like and that is an observation I would make, if I could just obliquely refer to the harbour action area, I know that will be a conversation we have later, but we  
200 did not have a staff member who could write, produce a policy on harbour action areas, because we do not have the number of staff at that level able to do that.

**The Chairman:** Just to briefly get into the detail of that Report, one of the things that is quite startling is the discrepancy between the number of houses that we need to build, in accordance  
205 with the Island Development Plan and what KPMG are saying. I think the figure that KPMG gave was between 97 and 157 additional units, whereas the IDP references 300.

How on earth is Government going to try to reconcile that difference? Who is right and who is wrong?

210 **Deputy Brehaut:** I think, what the KPMG Report did, because, before, we used to have ...

I will start in a different place. If you say to people, 'what are you going to do with regard to building houses?', people think first-time buyers, they think their son and daughter, who will have their first mortgage and have their first property.

215 What this Report does is start to talk about the intermediate housing market, the role of the GHA and it identifies, for example, the need for sheltered housing.

So – and this is my interpretation, incidentally – when the States refer to housing, people refer, broadly to a demand for first-time buyers. What the Report speaks to is the broader demand and I think it was 209 units of social housing it referred to explicitly, which is useful, I think, in the way that it identified specific areas.

220

**The Chairman:** Deputy Queripel.

225 **Deputy Queripel:** Yes, just to ask Deputy Brehaut, do you think the model we have in place at the moment for addressing the affordable housing issue, are you working through the GHA, Guernsey Housing Association, do you think that is enough on its own, or is there something else that we could do in addition to that, or something we could do differently?

**Deputy Brehaut:** I know you are asking me the question. I am conscious I am one of five people that I sit with on E&I.

230 Historically, the States had about 2,100 States' houses. A process was then undertaken to sell-off what they called incompatible States houses, so that number went down. Then, of course, that number was reduced further when sites were gifted or grant-funded to the GHA, which meant that the States had less of a role in tenants. Then the role of the GHA meant that there were two areas, in fact, because you had States' tenants, with a description of people in real social need, 235 that became the description for people in States' housing. Then you had the GHA, which, although they could take nominations from the States, their role was fundamentally different, because they were looking for people not only to rent, but in rent they could staircase.

So, that is two things that we do, I suppose. I do not know whether there is the critical mass, I suspect there is not, to get a second housing association is. But my view on this is what we need 240 to spend more time on is understanding why people feel that they cannot have long-term secure tenure in the private rental sector and why they feel the need to move across to States' housing or the GHA and I think, at times, we could toughen up legislation, with regard to the private sector, to mean that people have security of tenure, a decent rent, a clean, warm place to live and then they do not want to move across to either the States' housing or the GHA.

245 **Deputy Queripel:** That is a missing link, sort of thing?

**Deputy Brehaut:** I think it is a body of work that we need to undertake, because we have ownership of that, but it is something that we need to revisit.

250 **The Chairman:** Would that include rent controls?

**Deputy Brehaut:** That is interesting, because the Parr Report, going back some years, referred to rent control.

255 Deputy Dorey may be able to advise me, I do not know whether the rent control mechanism has become redundant because no properties are under rent control any longer.

**The Chairman:** Deputy Dorey?

260 **Deputy Dorey:** I believe that is the situation.

**Deputy Brehaut:** Can I just say, I used to sit on the Cadastre, so if someone had an issue with our rent, they could appear with the politicians alongside their landlord and make the case for a fair rent. There seemed to be a democracy within that that maybe we have lost. We certainly need 265 to do more, with regard to legislation.

**The Chairman:** Okay, thank you. Just to wrap up on the housing issue. There was a lot of talk, and you mentioned it a moment ago, this idea of a loan deposit scheme. One of the ideas that was floating around when the States of Guernsey Bond was being debated was the idea of, 270 potentially, having an initiative with a loan deposit scheme that would be funded from the bond monies.

Is that something that is still being explored by your Committee or anybody who has a stake in housing policy at the moment?

275 **Deputy Brehaut:** I do not believe that is the case. What it may be useful to do is, after this session today, if we send you the recommendations from KPMG and how they have been divvied up to respective Committees.



The recommendation was that the first and, in my definition, last-time buyers have relief on Document Duty to assist them.

**The Chairman:** One final question, which we have talked about already. It is about the accountability for housing policy. As we have been discussing, it is split between at least two Committees: yourselves and Employment & Social Security. Overall, who really is accountable for housing policy, ultimately, within our new system of Government?

**Deputy Brehaut:** If we own the over-arching housing policy, then we are, bearing in mind that the open market falls within that, as well.

My former chief secretary, Adrian Lewis, used to refer to the 'doing bit', which I think is a really useful expression; just to say we do the policy and other Committees do the 'doing bit'. That is often the case with, for example, the role that E&I have with STSB. We do the policy bit, which is to say 'we are going to export our waste', and they do the 'doing bit', which is, 'okay, we tell you how we export our waste'.

**The Chairman:** We might come onto that.

**Mrs Morris:** We will come onto that!

**The Chairman:** Deputy Queripel?

**Deputy Queripel:** Can I just ask one more on the housing front?

**The Chairman:** Yes, of course.

**Deputy Queripel:** Bearing in mind that States' policies pretty much dictate that most of the development of affordable housing will take place in the northern part of the Island, do you have any concerns about that in regard to the demand that might be put on the services that will be needed to support that development?

**Deputy Brehaut:** That is a really good question, because this comes up around the E&I table a fair bit. If I was to, perhaps, approach the States or the community to talk about the need to manage traffic flow and I, personally, raised concerns about fast-moving cars and vulnerable children in green lands, people say, 'Hold on Barry, you have got an anti-car agenda. What is your issue with the motorist? This is a freedom of choice argument, with regard to vehicles.'

But when people oppose developments in the north of the Island, or wherever on Guernsey, and you are in an open planning meeting, which is a role I used to have, people making representations to the Committee, would be saying, 'Do you realise that you are putting my family at risk, because we live in the small green lanes where you want to build?'

Although the community make the argument for us to have an awareness of the cumulative effect of traffic, when we try to introduce measures, sometimes, to assist with that cumulative, there is more political pushback, sometimes, than you may expect.

**Deputy Queripel:** Would traffic be your only concern, or the road network, in regard to infrastructure and services? I would like to take that a bit more widely, if I can?

**Deputy Brehaut:** I made a note before I came in. Our roads budget is at £2.3 million. So, if you think of the demands on our roads infrastructure, with a budget of £2.3 million, if you put a clo at the end of a lane, or a large development, then the surrounding road infrastructure would degrade over time, as well.

330 Can I just say, as someone who grew up not far from here, in a unit of social housing, there has been a huge amount of social housing development within this parish, actually? So, I think there has been quite some distribution of development over recent years. Particularly in the Castel, actually, interestingly enough.

335 **The Chairman:** Advocate Harwood?

**Advocate Harwood:** Before we move off housing, what is your understanding of the expression 'affordable housing'? It is peppered throughout the KPMG Report, what is your understanding of it?

340 **Deputy Brehaut:** There is a definition for affordable housing, which might just elude me as I am trying to recover it.

What it means to the community is you would build houses that my children could afford, and the policy context is to provide housing to the community, bearing in mind the rent rebate and benefit system is being reviewed, at each and every level.

345 What is broadly discussed is, perhaps, the intermediate housing market.

Affordable housing does not, to me, mean that we would provide houses for first-time buyers at an affordable level. I think affordable accommodation might be a better description.

350 **Advocate Harwood:** Is it inevitably linked to ownership? Is affordable housing linked to the ability to own a property?

355 **Deputy Brehaut:** I think the narrative around housing is broadly linked around ownership. It often crosses my mind, when somebody is talking to me about affordable housing and their aspirations for their own family, they are not talking about the GHA, they are not talking about States' houses, they are talking about their child's right to own their own property at a relatively young age.

360 **Advocate Harwood:** Given that the average house price is about 15 times median earnings, is your Committee or Employment & Social Security able to come up with a view as to what is the target multiple that should apply?

Is it six times, is it seven times? Fifteen times, I think, is unsustainable. I do not know whether you have an alternative target.

365 **Deputy Brehaut:** We had a joint meeting with the Committee for Employment & Social Security and we did discuss that very issue, simply because it is not sustainable.

There is, unfortunately for young people, a level of secondary borrowing whereby that people have to have loans from their parents or grandparents. Some people will actually have to pay that loan back, some will not, it will be a gift.

370 You are right. The earning multiple equation is extremely challenging and clearly cannot be met by a number of people.

**The Chairman:** Given the difficulties with the term 'affordable housing', should we stop using the term if it does not mean what we say it means, or if it means something different to the people we are addressing?

375 **Deputy Brehaut:** I notice Mark is shuffling some papers, he may have found the definition on social housing! I am very fortunate, because I am sat next to the States' archivist, which makes it a little be easier for me!

I do not know if you were, Mark? I may have been wrong, I am sorry.

380

**Deputy Dorey:** I have not found it.

**The Chairman:** Should we stop using the term?

385

**Deputy Dorey:** No, I think it is the right term. It is housing that is affordable. What is affordable to one family is very different to another family, but we as a Government have a responsibility to ensure that people have access to housing which is suitable for their particular family or their particular family circumstance, which is of a sufficient quality in today's world.

390

We provide social housing, at the very bottom with rents which are rebated. We are going to move onto a Supplementary Benefit-based system.

Then there are people who have more income than that, who can afford partial-ownership, which is, I think, a way of people getting some equity into the market, which is what many people desire, and they can staircase up, before they move into the open market with a small home.

395

People aspire to have house ownership, within our community, and they will try and find what is affordable for them. Some people will buy run-down houses and do them up. Some people can afford to buy very nice houses.

Affordable has a very different meaning to different income groups.

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**Deputy Brehaut:** I am relying on my memory, so bear with me, I think the recommendation within the KPMG Report was to encourage staircasing beyond 80%. If you are encouraging someone to move into a unit of GHA housing, you have to have due regard for the context and the setting of that property.

405

Some people may be more than willing to staircase over and above the 80%, because they feel that they will always achieve that value, but we have to think in broader terms of the setting for all of the social housing that we build, because there is a very high density.

If we look, particular at the Bouet area, if you look at the volume of houses, including the Warry's site, it is a very high density of housing. Can you really get people to want a level of ownership they believe there is a market for, a certain type of housing? I do not know whether that is the case or not.

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**The Chairman:** Deputy Queripel?

**Deputy Queripel:** That is fine.

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**The Chairman:** Mr Buckland, I think you were trying to say something.

**Mr Buckland:** Thank you, chairman.

420

I think just one point. Discussion with the private sector and developers, I think there is a role for the market, the private sector, to almost broaden the market at the lower end, by the introduction of the scope for developing modular houses on-Island.

I think that is an area that the Committee would like to explore further, to work in partnership with the private sector.

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**Deputy Brehaut:** If you look at what the industry were doing, there was an issue of land-banking and, if you buy land at a certain value and the market takes a dip, you have got money tied up in that land that will not be realised by you building. So, of course, they sit back, wait for the market to rise again and to try and get the money back on the investment.

430

**The Chairman:** Deputy Queripel?

**Deputy Queripel:** I did mention, actually, during the Budget debate about have we opened a meaningful dialogue with private developers, perhaps to find a way to work to create more affordable housing outside of the GHA model?

435 Do you think that is something worth exploring? You have just spoken about the land-bank of sites and things. Would it be possible to approach some of the private developers and see if they are prepared to work on some other scheme, aside from the GHA?

**Deputy Brehaut:** Any shrewd developer needs to do what Government is doing, which is looking at the age and demographic in the community and to think are the houses we are  
440 building, are they lifetime homes and, having due regard for the demographic, perhaps they should be building things subtly different to what they build now.

**The Chairman:** Okay, can we move onto the next topic, which is infrastructure?  
445 Advocate Harwood.

**Advocate Harwood:** First of all, infrastructure is a very vague phrase: does your Committee have a clear idea exactly what is meant by infrastructure and what falls into that term and, therefore, what you need to develop in terms of your infrastructure?

450 **Deputy Brehaut:** My view on this is infrastructure is to find biases as to what crosses my desk and our agendas and what we are responsible for.

Clearly, the road, footpath infrastructure; certainly, coastal defences; the runway – these are clear definitions of infrastructure that tend to dictate on a need-led basis what we spend, either in capital or revenue terms,

455 But I think there is an unspoken, collective understanding of what infrastructure is, but I appreciate that, in other communities, there is telecoms infrastructure, there is gas infrastructure, there is electricity infrastructure. I think there are things that are seen as clearly Government infrastructure. I think there is, I suppose, a broad understanding and appreciation of the term.

460 **Advocate Harwood:** Are you concerned that your Committee may become the sinkhole, where everything that is too difficult for everybody else is categorised as infrastructure?

**Deputy Brehaut:** Did you say *might* become? (*Laughter*)

I suppose that in the position I have and my colleagues have on the Committee, infrastructure  
465 is front page, whether it is a sea wall or whether it is cycle infrastructure. People have a view as to the appropriateness, for want of a better word, of Government intervention and spend.

Tangentially, if we look at what Deputy Soulsby has announced, recently, with regard to doing health in a different way, I would say that has been broadly embraced by the community, saying let us deliver health in a different way.

470 If E&I say, look, how can we get our infrastructure working for us – and actually it is the same agenda: walking, cycling, keeping active is the health agenda – when E&I try and sell the value of a really good infrastructure like a bus service that runs on time, that you can rely on; safe cycle paths, safe streets, safe pavements; it is not probably welcomed in the same way as when the message comes from Health.

475 There is a value to our infrastructure beyond just serving the economy. There is the potential, if I can use perhaps almost a New Age term, of wellbeing and, if you get the infrastructure right and architectural structure right, then there are benefits to the community beyond the strip of Tarmac that gets you to work and back home again.

480 **Advocate Harwood:** You mentioned the Budget you have for road maintenance, about £2.3 million?

**Deputy Brehaut:** £2.3 million, of which I think we may spend £1.6 million this year.

485 **Deputy Dorey:** That is to date.

**Deputy Brehaut:** To date. We have spent £1.6 million to date.

490 **Advocate Harwood:** Again, I seem to remember, historically, there was always concern whether or not you could roll forward any other element of that. Has that been resolved? Are you able to carry any unspent element of that one year's budget across to the next year, for future maintenance?

**Deputy Brehaut:** Do you want to answer that, Jon?

495 My recollection of this has been that the budget element is so low, bearing in mind the Rohais was quite some project, that it would be unusual to carry forward a sum, because the budget is set at a low level, anyway.

Also, for context, just to make clear that we do not get the value of Petrol Duty. People say there is £20 million generated in Fuel Duty, 'what do you spend on the roads?' That is not how it works. We get a general revenue capital allocation.

500

**Mr Buckland:** Just to confirm, no we do not carry it forward.

**Advocate Harwood:** So, there is an incentive, therefore, really for you to fully utilise your budget in the year for which it is set?

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**Deputy Brehaut:** The demands are enormous, though.

The business-as-usual element of road repairs is constant, as you can appreciate. The volume of traffic is high, and the roads degrade, especially in the winter, very quickly.

510

**Advocate Harwood:** I think I am right in saying that, actually, the forward planning required for your road maintenance programme is quite a long lead-in to that.

**Deputy Brehaut:** It is, yes.

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**Advocate Harwood:** So, you already have, presumably, been planning your road budget for 2019?

**Deputy Brehaut:** Yes.

520

**Advocate Harwood:** In terms of things to be done?

**Deputy Brehaut:** Yes.

525 **Advocate Harwood:** Coastal sea defences, sea walls, have obviously been a matter of significant public interest. Again, what is your routine budget for, maintenance of coastal defences?

530 **Deputy Brehaut:** Perhaps Jon can help with the routine, because the big items are dealt with by exception?

We are anxious to do something about the Fermain Wall. The Fermain Wall has not been damaged by the sea, what has happened is that the surface water run-off from the wall behind

has pushed the wall forward and out. We would have to approach P&R to secure the sums to repair that wall.

535 I am sorry, I do not have, off the top of my head, without referring to the papers, what the routine is.

Jon may be able to find while we are ...

540 **Mr Buckland:** I have only got the capital here, but on routine, I will confirm the numbers separately, but it is disappointingly low. I think it was the focus of cuts during the FTP process. An easy hit.

545 **Deputy Brehaut:** You have just reminded me what it was. The total spend on coastal repairs, budget allocated, was £45,000. It was the former Environment Committee of 2012 that really had to grasp the nettle or doing something with regard to the sea wall and sea defence repairs but I think what the tank wall illustrated was that there needs to be a broader appreciation and understanding of what is an actual sea defence, bearing in mind real and actual global warming and flood risk and what is a defence to infrastructure behind and the value to that infrastructure.

550 If we look at Bulwer Avenue, which was seriously undermined, and services were exposed beneath the road level that can be seen by the road, intervention down there with rock armour was necessary and actually was not contested.

When you have a situation where a very popular bay, with infrastructure that people are familiar with, is going to change and alter, it is a much more difficult message to sell.

555 **The Chairman:** Deputy Queripel.

**Deputy Queripel:** To your knowledge, are there any sea defences or sea walls that are particularly at risk at the moment? You have not got the budget to actually attend to them in a timely manner, do you not have any concerns in that area?

560 **Deputy Brehaut:** We have had a rolling programme, now, on repointing – because if you can stop the water getting in, then it stops the granite being plucked out in the first place – Longstore, further on from Longstore at Admiral Park, Perelle, the west coast generally has had a great deal of money spent on repointing.

565 If the wind is in a certain direction and the tide, I always have concerns of Vazon. Interestingly, when we looked back on the history of the anti-tank wall and the context for it, we had at Raymond Falla House all of the files dating back from the early 1900's on sea walls. All of them have a rich history in collapsing and falling down.

570 When Doyle built the roads around the Island, it was a wall to hold up a road. People, of course, have built houses behind, which probably nobody anticipated at the time. So, the wall that holds up a road becomes a *de facto* sea defence and then you have to make sure that you keep on top of it.

575 **Deputy Queripel:** How far short, then, do you feel that your routine budget will now fall short of what you would ideally require?

**Deputy Brehaut:** We are short by many millions of pounds, if you want to do that.

If you look at the storms of 2013, then that did a significant amount of damage that we are catching up with now.

580 All of the years where we played with £45,000 and tried to divvy it up to need-led repairs, as we know, on reflection, was the wrong approach.

If I can refer again to the bus service, if we look at the impact of FTP on the bus service and in other areas then, although Committee budgets were underspent or kept within certain parameters, there was a consequence outside of that.

585

**Deputy Queripel:** Will you be making a case, then, to increase your budget for sea defences, or can you shift your budget around, so you can put more into that?

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**Deputy Brehaut:** What I am hoping, and I think we all are, are we not, with the Policy & Resource Plan, is that we can meet with our colleagues at P&R, in light of the agreed States' priorities. When we talk about acknowledging the consequences of climate change, then we have to be serious about that.

595

Interestingly, the flooding at the north of the Island is a risk in La Braye du Valle, rather than perception of inundation from the beach. It is in other areas where reclaimed land is now more vulnerable with, potentially, storm surges.

600

**The Chairman:** Is coastal defence something that is always going to be reactive? In an ideal world, we might want to be more proactive than what we are now, but we do not live in an ideal world.

So, is it always going to be, necessarily, reactive, do you think?

**Deputy Brehaut:** I think that is the case.

All you can do is do the best you can to ensure that the infrastructure you own is well-maintained.

605

Let us not forget, Guernsey has the obligation for Alderney breakwater and, from 1987, if you re-inflate the figures, £23 million has been spent on Alderney breakwater. Alderney breakwater has become a bit of a hobby of mine, because I have done a fair bit of reading on it.

Alderney breakwater is something of a folly, but it exists, and we have an obligation to maintain it – at some cost.

610

If you were saying could some walls around the Island be sacrificial, to say why spend on a wall when it is not doing anything, there are not many of them. The tank wall at the east end of Vazon was one of those walls, that was actually stopping a bay forming.

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**Advocate Harwood:** Apart from the cosmetic approach, could you not say the same about the Fermain wall? Is it actually doing anything?

620

**Deputy Brehaut:** I think we should make a distinction between sea defences and military defences. Fermain wall was constructed at that height and in that position to funnel French troops past a loop tower, where they could be shot at. That was its function. But it has become what people see as sea defence, when it is not that.

It is part of our history. It is important for the aesthetic look of the bay; bearing in mind if you look at Fermain wall from the beach, if you are looking at the slipway from the beach, the wall to the left has had a significant repair, it has been lowered, and the cliff behind has been dragged forward and, of course, that work was not extended to the entire wall.

625

**Advocate Harwood:** Do you have any idea what your current estimate would be for repairing the Fermain wall?

630

**Deputy Brehaut:** From memory, I think it is around £600,000.

**Advocate Harwood:** Again, that would have to be an application to Policy & Resources, for a specific one-off project?

**Deputy Brehaut:** It would be, yes.

**Advocate Harwood:** You cannot meet it from your current, routine maintenance?

**Deputy Brehaut:** I will let Mark say something on it.

**Deputy Dorey:** Within the capital plan, there is allocation for coast events. There are capital projects in those budgets, been allocated, so that is where it would be funded from. Not from the Committee's general revenue.

**Advocate Harwood:** You already have a budget allocation?

**Deputy Dorey:** Yes. There is a budget allocation within the capital plan for coastal defence. There is maintenance, which is done, or there are larger projects. It is the larger projects we will finance from that budget, which we have to make a business case for.

Fermain is one of the projects that we ...

**The Chairman:** Mrs Morris, were you trying to get in?

**Mrs Morris:** I was.

Do you think all of this, between this tiny little maintenance budget and the need to go cap in hand to P&R every time something happens, is a false economy and it is just jam jars?

To the points that my colleagues have made, surely if we were more proactive in maintaining our existing – capital, to me, is usually something new, these are existing defences that need to be there to support the roads, protect the houses behind them – are we just fooling ourselves by having this tiny, tiny budget that is never, ever, going to make a significant difference and, as you say, walls are always going to fall down?

Maybe they would not fall down – I am mixing analogies here – if we took the stitch in time, in terms of efficiency and economy, it would be cheaper if we kept on top of it than if we just waited for them to fall down?

**Deputy Brehaut:** I agree with that, but there are competing demands.

It is only recently, of course, that the States have decided to set aside a realistic sum for capital, which had not been done for some time.

I would say, certainly over the past 20 years, it is interesting. If you look back, there are times on Guernsey where the economy falters and the States behaves accordingly. If we look at the seventies, when we built La Mare and, actually, we only repaired one part of the sea wall, then the pressures were real and were felt at the time. I think, the pressures of the FTP, for the politicians who lived through that period, were real; were actual. There simply was not the money to invest with tomorrow in mind.

I would say now, I am sure that some Committees will be holding back on maintenance budgets to ensure that they are underspent. I am sure that must still be happening.

It is really quite foolish, but if we look at the blunt mechanism which is 'this is your budget and although that is your budget, ideally we would like you to come in underspent, if that is possible, too', then those are the real parameters we are working in.

Did you want to say anything more on that area, Mark?

**Deputy Dorey:** I think the mistakes of the past have been accepted and the fact there is an allocation we can apply to it and there are projects which are listed, which it is based on doing a survey, we are hopefully spending the money on the projects we need to be.



There is a limit to what can be spent.

685 Also, there are limits upon staff availability to get to spend that money, because it is not just having the budget, it is having the staff to do all the work, to bring the projects to P&R to progress them. We have got a programme of sea defences that need to be repaired and we are working through it.

690 **The Chairman:** Can we come back to the Alderney breakwater? Deputy Brehaut, you described it as something of a folly, a moment ago, £23 million spent on upkeep and maintenance on Alderney breakwater since 1987.

How does that compare to what we previously used to pay, as I understand it, into the UK Government, the MOD budget? Certainly, when Margaret Thatcher was prime minister, there was  
695 some agreement that meant we took over responsibility. We took over the responsibility of maintaining Alderney breakwater in lieu of the contribution to the MOD budget. Do you know how much we used to pay?

**Deputy Brehaut:** There are three elements to it.  
700

**Deputy Dorey:** We never paid towards it. The UK Government spent money on repairing the breakwater and then we took over responsibility for it. We have never actually paid money to the UK Government. Either the UK Government did it, or we took responsibility for it.

705 **Deputy Brehaut:** In 1986, because it was known as the Admiralty Breakwater, but it became part of the Home Office, if I remember, they wrote to the Alderney States saying that the expenditure in 1986 on the Alderney breakwater would be about £600,000 and that they could not afford to do it. They were not prepared to maintain the breakwater any longer.

Post-Falklands, Guernsey and Jersey felt it was appropriate to give a type of in-lieu defence contribution, so we took on the burden of maintenance of the Alderney breakwater. The British  
710 Government get the value of our passport – it would be interesting to understand, in today's numbers, what that money is – the money is paid to the UK directly and we provided a facility within Castle Cornet for a civil defence-related activity, if I am right, which is not used any longer.

715 **The Chairman:** The over-riding factor is £23 million in 30-odd years is not sustainable, can we really continue to maintain the Alderney breakwater in those circumstances?

**Deputy Brehaut:** Okay, I raised the issue, because it is a really powerful metaphor, the breakwater, because people on Alderney believe that, if we care about the Alderney community  
720 and we are serious about looking after them, then we own that breakwater and we should be responsible for looking after it.

It is not me saying it is a folly. The Admiralty acknowledged that it was a harbour of refuge, built in 1847, it took 25 years to complete, it was never completed, and 500 metres fell off the end of it very quickly, anyway. Of course, as it was being constructed, the harbour around it started to  
725 silt up.

So, it is something of a folly, in historical terms, but it is seen by the people, certainly who live in the bay, that it protects them from the elements and that is a powerful physical structure that the people feel we need to invest in.

730 **The Chairman:** Do you think the UK knew what it was doing?

**Deputy Brehaut:** They probably jumped in the air and clicked their heels.

735 The Alderney breakwater has done one thing fairly consistently, which is fail. I am conscious that people say, for example, if there was a storm in the next two or three weeks or months and there was a failure, people would say, 'That just shows that E&I have not invested enough.'

The fact remains, you simply cannot invest enough in a structure that size. It moves with the tide. It sits down, it flexes and, sooner or later, something will give.

740 **The Chairman:** What is the most recent expert evidence on its condition and the problems associated with it?

**Deputy Brehaut:** It sits on a colossal mound. It is iceberg territory.

745 The majority of the breakwater is underwater on a mound and that mound moves, and when the mound moves, the wall above it will move. There were surveys done this summer, sonar surveys monitoring the mound. The sea is so powerful, it would pick a boulder from the seaward side of the wall and throw it against the wall, punching a hole in the wall, and that is historically what has happened.

750 **Advocate Harwood:** Can I just come back to, I think my colleague Gill Morris' point, is this not a stitch in time situation? How much are you budgeting for routine maintenance of Alderney breakwater?

**Deputy Dorey:** I can answer that.

755 The routine capital project for maintenance is £302,000 this year. Our forecast spend is about £273,000.

**Advocate Harwood:** Is that consistent with previous years?

760 **Deputy Dorey:** The budget last year was £435,000 and we spent £382,000.

**Deputy Brehaut:** It needs to be said that there is a team, there are two men in particular, who work constantly. That is their job. They maintain the Alderney breakwater, they repaint it. At spring tides, neap tides, they would do an investigation of where the wall meets the mound.

765 **Advocate Harwood:** Has there been any serious discussion with the States of Alderney as to the future of the breakwater?

770 **Deputy Brehaut:** There have been several proposals for marinas. The discussion usually is that the breakwater provides shelter, because it was built as a harbour refuge, it was designed to do that. So, then, within that safe arm of the breakwater we would have a marina, you would get more visiting yachts and Alderney needs that revenue and income, doesn't it?

775 I think the last project, from memory, was costed, and the States rejected, at £26 million. So, that would be to demolish part of the breakwater, to shorten it, and then strengthen what was left of the breakwater to protect the new marina that you had built inside, and the States decided not to support that.

**Advocate Harwood:** Which States was that, States of Alderney?

780 **Deputy Brehaut:** No, that was States of Guernsey and that is maybe more than possibly two terms ago. I cannot remember the date off the top of my head.

**The Chairman:** Deputy Queripel?

785 **Deputy Queripel:** It was covered by Advocate Harwood.

**The Chairman:** Deputy Dorey.

790 **Deputy Dorey:** When I spoke those numbers, that was routine capital, there is also a routine revenue expenditure, which is £47,000 as well.

**Advocate Harwood:** That figure 47 comes up regularly. Your entire coastal defence routine budget?

795 **Deputy Brehaut:** The 45 is, thankfully, history, because the 2012 Environment Committee grasped the nettle, politicians were sent away and formed a project to look at coastal defences, then came back with the recommendations to act.

**Deputy Dorey:** Our budget for coastal services for this year is £495,000, but that includes staff as well.

800 **The Chairman:** Advocate Harwood do you have any other questions on infrastructure?

**Advocate Harwood:** Are you committed to bringing back to the States a plan in relation to Alderney breakwater and, if so, what is the timescale?

805 **Deputy Brehaut:** We are going to bring a States' Report back to the States, I cannot remember the timeframe now.

**Mr Buckland:** Next year. We are working closely with the officers and politicians in Alderney.

810 **Advocate Harwood:** Have you got the budget for that, bearing in mind the earlier conversation we had about the KPMG Report, are you having to rely on external consultants to assist in that?

815 **Deputy Brehaut:** With regard to what, specifically?

**Advocate Harwood:** The Alderney breakwater report.

820 **Deputy Brehaut:** The Alderney breakwater has more reports written on it, I think, than any other structure that is in the Channel Islands, because so many projects have been examined and, at each new project, all the usual regular surveys are carried out. There is a huge back catalogue of information on the Alderney breakwater.

**Advocate Harwood:** So, the information is already there?

825 **Deputy Brehaut:** A great deal of the information is there.  
If a different scheme emerged ...

830 Also, some Alderney politicians believe that the inner harbour at Alderney would make a small marina that was not dependent on the breakwater. When the breakwater was under construction, the first thing they built was the inner harbour for the stone barges, which has become the small harbour we are all familiar with on Alderney.

Some politicians in Alderney would like to see that as a marina that is not dependent upon the protection of the breakwater.

835 **The Chairman:** Shall we turn to our next subject, now, which is energy and hydrocarbon?  
Right, it will be mainly myself and Deputy Queripel who will be asking about that.  
Deputy Brehaut, just first off, should we really have worked out the energy policy first, before  
starting working on the hydrocarbons programme?

840 **Deputy Brehaut:** You speak as if there is not an energy policy, when actually there is an  
existing energy policy in place, but it is a bit dated.

**The Chairman:** But we need a new one?

845 **Deputy Brehaut:** We need a new one, simply because events around us are changing so  
rapidly.

**The Chairman:** Should we not have had that new energy policy in place before we started  
looking at the hydrocarbons programme?

850 **Deputy Brehaut:** I would argue, personally, that there are parallel tracks here. The  
hydrocarbons is travelling at a pace and, parallel to that, the energy policy is travelling at perhaps  
not a rate that is ideal. But the two things are progressing in parallel.

Perhaps, if we were saying that we did not have a retail strategy, for example, or we did not  
855 have a retail policy, it does not necessarily mean that St Peter Port comes to a grinding halt  
tomorrow. So, if we talk about energy policy, the changes happen in a certain timeframe and that  
timeframe gives us, fortunately, the window of opportunity, to use that lazy cliché, to write a  
contemporary energy policy.

860 **The Chairman:** Can we talk about the business case for the hydrocarbons programme? Much  
has been said about that business case, which was submitted to P&R for the hydrocarbons  
project. How robust was it?

**Deputy Brehaut:** The business case was extremely robust, and I need to touch on something,  
865 because there is a certain narrative out there, within the community, which goes something along  
the lines that Guernsey was told by either the EU or the UK that Guernsey has to stop doing now,  
what it is doing with regard to hydrocarbon importation by tanker. The consultants said to us,  
'Actually, you do not need to have due regard for European Law or UK Law.'

That is simply not the case. The hydrocarbons project was undertaken simply to ascertain the  
870 long-term security of hydrocarbon supply. So there were no outside influences dictating policy, no  
European or UK legislation dictating we did anything and, further, the consultants did not say to  
us, 'Are you aware that there is no legislation instructing you to do that?'

That argument, I have heard it several times this week, simply is not the case.

875 **The Chairman:** What you are saying is, as far as your consultants are concerned, as far as you  
are concerned, there is no evidence that there is any imminent regulation to safely ground  
vessels? That is the position?

**Deputy Brehaut:** If the States wanted, tomorrow, to go out and build more tankers.  
880 I think Whittakers, who were present at one of the workshops for States' Members said, if ever  
the States go out to tender to build tankers then we would be interested in providing those  
tankers for you.

Diesel and petrol, the market is falling away. The figure that remains in my mind, a car  
manufacturer today, as opposed to a car manufacturer in 2009, is 30% more fuel efficient.

885 We know that the energy market is changing.

So, what we need to do, bearing in mind you spoke of the value of the consultation, the process, before we had the consultants in, it was believed that a deep fuel berth was the only remedy to the problem if you were not using tankers. What the research has shown is that actually there are alternatives and we can do things in a different way.

890 But we have to have due regard. Hydrocarbons will be around for the next 40 to 50 years, we understand that. But we will be consuming less, and that is why it is important we get our energy policy right.

**The Chairman:** Can we just be very clear? What I think I am struggling with, and what others are struggling with, is what is the justification for the hydrocarbons programme at the moment?

895 Obviously, it has got quite a big budget, of just over £800,000; quite a substantial amount of money. What is driving that piece of work, so we can be very clear on it?

**Deputy Brehaut:** Okay. We are dependent on vessels that are becoming obsolete. The gas boat will be obsolescent soon. The two tankers that we purchased will be obsolescent. We are weather-dependent. We are tide-dependent.

With regard to fuel supply, these are factors that are not ideal. We were very low on fuel, Island-wide, when the tankers were purchased, because we were left extremely vulnerable.

If you are looking at security of fuel supply, that need not happen. The remedy to it maybe, for example, something like an offshore fuel buoy, which means the limited market of tankers – bear in mind they are built bespoke for Guernsey – is not something we need to be dependent on.

Any vessel that carries any type of fuel can berth at a fuel buoy off of Guernsey and these tankers are high in number.

910 **Deputy Queripel:** Bearing in mind that you almost addressed the myth that it was outside forces that forced us to look at this hydrocarbons issue, do you think that, following on from what Deputy Green said, don't you think that actually the approach has been somewhat disproportionate and needlessly costly?

Surely, we should only be looking at what we have to do, when we need to do it, rather than exploring all the scenarios and risks that you have explored.

**Deputy Brehaut:** The starting point used to be, on this, we have large boats discharging highly volatile fuels within the heart of a small community town. Is that the most intelligent thing to do?

Then people say, in all the years of operation, 'just show me one incident or accident'. I do not wish to offend, but Grenfell Tower, the cladding was safe until ... Buncefield was safe until ... although that was human error. Surely, you would want to deal with that risk, anyway?

So if you wanted to move from doing what we are doing now, it means that you cannot use tankers, they do not need to be on the ground to discharge. What would you do? People then say it would make sense to build a jetty, a deep-water berth. What this body of work has shown, and it is hugely expensive – there is no doubt that, when you employ consultants at this level, it is expensive – through consultation, through working with all interest groups, there is another way to do things. There is a practical, workable solution, other than using tankers.

The question is, if we wanted to stick with tankers, how many would we need, at what cost? Bear in mind, there is heavy fuel oil. If you wanted to use fewer vessels, you have to rinse them, run them through at the cost of £30,000, for example. So, how many tankers would you have? How many gas boats would you have? Although one would be the correct number. At what cost? Because that is a multi-million-pound investment.

**Deputy Queripel:** Some of the options and scenarios you have looked at are enormously expensive and would entail a great deal of work. One, I think, was looking at locating something at or near St Peter Port harbour and the idea might have been to clear away the businesses and

the residents that occupy that area. Surely, that was never going to be an option that we would consider or take on?

940 Now, why was that explored? There must have been time and cost resource expended on that. Surely, it was not worthwhile exploring that kind of option?

**Deputy Brehaut:** I disagree with that. If you look at the very early presentations given by H2M, for example, they went to the south of the Island. People were saying we would never allow any facility on the south of the Island to discharge fuels, but they were mandated, asked to look at what does the sea bed look like in that area, is it possible, even whether we should have fuel from 945 a pipe from France to Guernsey.

They had to look at all of these possibilities to cost them, to dismiss them. Take it from me, if E&I came to the States with one proposal, the first thing people would say is, 'How exhaustively have you really looked into this before you decide that we do not need our tankers and that this 950 remedy you are suggesting. What were the alternatives?'

They did explore every potential alternative.

**The Chairman:** Advocate Harwood?

955 **Advocate Harwood:** Can I just clarify, the driver, as I understand it, for hydrocarbons research is the potential obsolescence of the existing tanker fleet and the gas?

**Deputy Brehaut:** Yes, I think the gas boat is 2021, and the other tankers are on 2026.

960 **Advocate Harwood:** So, in overall terms of strategic planning, that is fairly short-term?

**Deputy Brehaut:** It is very short-term.

Also, at times Guernsey is only served by one fuel tanker. The other tanker was, I think, doing work in perhaps the Hebrides or Northern Isles around Scotland.

965 I say that because with Guernsey's fuel consumption, we are a relatively small motorway station in fuel terms. We know the demand on diesel and petrol is going down. If you look at the need for heavy fuel oil for electricity production, Guernsey Electricity have announced, recently, their first solar project. What if they did run another cable link to France, would their fuel storage in St Sampson's be replaced, potentially, with battery storage from real electricity production?

970 We know that the consumption of heavy fuel oil, the clean fuels and gas, is actually on a downward trajectory. To invest multi-million pounds in bespoke tankers that need to be dual-skinned and that to be dual-skinned means that you can take less product on board, because they are heavier and there are other considerations, with the generally falling demand in hydrocarbons, we need to do something that can be met universally by other people who are doing what 975 Guernsey needs to be doing now.

**Deputy Queripel:** Can I just add, according to the statement of requirements, in 7.3 it says that both tankers, their serviceable life will be until 2028.

980 **Deputy Brehaut:** I said 2026.

**Deputy Queripel:** It is 11 years we have got. We might as well get the right information.

985 **Deputy Brehaut:** I would say there is something, Laurie, in all of us, as Guernsey men and women that there is something, I do not want to imply there is an absolute resistance to change, but there is always something a little bit Micawber in all of us, which is something will turn up and there is a reluctance to meet these challenges very early in the day.

If Guernsey was an actual business and looked at its vulnerability, this is the number one on our strategic risk. Anyone involved in that company would be screaming from the hilltops that we were vulnerable with regard to the very fuel – sorry for the cliché – that fuels the economy.

We need to do something about that.

**Deputy Queripel:** Bearing in mind you have just said that the demand for hydrocarbon will probably decrease, as the years go by, and you will rely more on different forms of energy, don't you think a proportionate approach would be, perhaps, to just look at what we have got now, perhaps new vessels for the future rather than going to the extent of creating a whole new facility, with the flutes and whistles and bells facility?

**Deputy Brehaut:** Sometimes when you re-draft States' Reports or you read exchanges, I can never always remember what is on the public records and this may be the first time it is, and I apologise if I say something that gets civil servants behind me wincing, but the probability is that Guernsey may have a fuel buoy, where boats will be moored to a fuel buoy and discharge their fuel.

Any vessel can do that and there are lots of vessels out there, now, that can do that. A fuel buoy does not need the infrastructure that a deep-water berth ...

If you remember people saying, if we had a deep-water berth, it could double as a storm-surge gate.

In one of the workshops, they referred to the potential cost of a cruise berth, was it £900 million? There is something like a 60% bias for a marina, because it can go horribly wrong.

So, the minute you are digging holes out at sea, then these things get disproportionately more expensive.

Did you want to say something, Jon?

**Mr Buckland:** If I may?

**The Chairman:** Yes, and then Mrs Morris.

**Mr Buckland:** Three things I want to come back to. With the driver, as the President has already said, there is an existing Energy Resource Plan and the first objective is maintaining safety and security of affordable and sustainable energy supplies. This objective is designed to ensure the Island has the reliable energy supply that it needs to maintain our economy and improve our quality of life, whilst ensuring that we respond to the consequences of the world's declining supplies of hydrocarbon fuels.

The fourth action that sits within the Energy Resource Plan that the States have already approved, back in 2012, was that we would take appropriate steps to ensure the safety of our energy supplies and the resilience to short-term disruptions to our supply chains.

This was one of the few actions in the Energy Resource Plan that the States, during 2012-16 took forward, which E&I have continued with going forward.

Just coming back to this thing about responding just in time, I think the experiences from 2008 really demonstrated how risky that was, because I do not think people appreciate how close we were to actually running out of fuel supplies on this Island. This was about taking a long-term strategic view, because of the long nature of these infrastructure assets, and I think the value of this work has really demonstrated, as the President has already alluded to, a deep-water berth, which I think on its own was £125 million (**Deputy Brehaut:** It was, yes, about that.) and it looks like the recommendation for a multi-buoy mooring is the preferred way of paying for that.

The final point I just wanted to make was, actually, the market is developing at quite a pace already. We do actually have another entrant who has entered the market, which we would not

have predicted a few years ago, in terms of providing. Actually, they are not using the fuel tankers; they are bringing through fuel tankers as well, and using ISO containers on-Island.

1040 So, those were the three points I thought would help.

**Deputy Brehaut:** Just on cost, if I can, because within the work carried out by the consultants was a discrete piece of work by PWC, which was a future prediction on demand.

1045 In writing the energy policy, that body of work can be used as a keystone of the energy policy, because the demand on future consumption is a good piece of work.

**The Chairman:** Mrs Morris.

**Mrs Morris:** Thank you.

1050 This proposed fuel buoy; how much is it likely to cost? Do we know that, yet?

**Deputy Brehaut:** No. We do not have a figure on the likely cost.

1055 **Mrs Morris:** Okay, when you do know how much it is going to cost, are you likely to apply for a loan from the bond? I ask, because we were told quite confidently by Deputy St Pier, that he expects the whole of the £330 million to be spent. I expect he thinks that E&I are going to spend quite a lot of it.

Would this be one of the projects that you would be applying for?

1060 **Deputy Brehaut:** Mark may want to say something and bear in mind, he took part in the hearing on the bond, but my understanding is that where there is a clear source of revenue, then it would make sense to use bond money. I think there is an appetite to use the bond money and that is something that could not be too readily discounted, I suppose.

I do not know what ...

1065

**Deputy Dorey:** I would just like to go back to your point about the energy policy.

1070 As Mr Buckland said, the Energy Resource Plan identified we need to do this. People keep saying why do you wait – it was energy policy which dictates that we need this. The problem was that, and Peter would know it well, that PSD tried to put it forward a number of times and it got pushed back by T&R.

It was only now, with P&R, that it has had approval to go forward. The project had been put forward to progress at least a couple of times before it got the go-ahead.

1075 What is key is the risk as a community that we carry, and it is a very high risk, the key very high risk we have identified, is no vessels available, vessel collision damage on approach, entry/exit or during discharge, damage via an explosion at storage facilities, inadequate fuel stops available and part of the supply chain being commercially unviable and no longer provided by the private sector.

The economic damage of us running out of fuel, which almost happened, would be very significant to our community.

1080 I think it was a very important project for us to advance, because we do run a risk of having this port, which takes relatively small ships and ships that need to go on the sea bed.

1085 Now, research is that there are very few other ports around which need that, so demand for those ships is not there and those ships cost more to run and more to build. If we are the only port, we have to take all those costs, which then puts a higher cost onto hydrocarbons, which makes them less viable for the community.

**The Chairman:** In terms of the budget for phases A and B of the hydrocarbons programme, I understand it was combined up to £830,000, how much of that has been spent?



1090 **Deputy Brehaut:** I think there was £77,000 unspent. Is that right?

**Deputy Dorey:** On 1A, there was a surplus of £37,000 and on 1B, a surplus of £77,000.

1095 **Deputy Brehaut:** There is an answer to your question that Jon reminded me. If, at every stage of the development of hydrocarbons, to fund the next stage, we have to go to P&R, we make the case to them and they release, hopefully, the funds, the outline business case would be the stage where we discussed the funding options.

So, the next piece of work will be to have that discussion on how it is funded.

1100 **Deputy Dorey:** We will go to the States with a report, before we get that. That is what we are planning to do, take a report to the states.

**The Chairman:** When would that be?

1105 **Deputy Dorey:** We have a lot of options and we have identified the preferable option.

**The Chairman:** When would that be?

1110 **Deputy Brehaut:** We are looking towards the first quarter.

**Mrs Morris:** Lots of things are happening in the first quarter.

**The Chairman:** The first quarter, 2018?

1115 **Deputy Dorey:** That is what the current plan is, but perhaps we should say the first six months.

1120 **Deputy Brehaut:** Let us be straight, we are not too sure what we are debating in December. Ideally, it should be quarter one, but who knows what the slippage will be at the end of December?

**Deputy Queripel:** For clarity, will it be a multi-option recommendation, or will you be saying your preferred option is the fuel buoy?

1125 **Deputy Dorey:** I believe that we will recommend an option to take it forward. That is what the process has done, identify the best option.

We would have to have a very good case, having spent the money, having done all the research and identified the best option, not to recommend it to the States.

1130 **The Chairman:** Just having done some very quick maths, on the basis of what you just said, basically £114,000 was unspent on that budget, which means that you spent about £716,000, somewhere in that region.

Are you confident that is good value for money?

1135 **Deputy Dorey:** The budget for 1A was £757,000, the budget for 1B was £302,000. So I identified the amount that was underspent at 1A and 1B.

**The Chairman:** Oh, I see.

1140 **Deputy Brehaut:** This question came up with KPMG, I suppose, earlier. The value for money for consultants is always open to interpretation by political colleagues,

To do this with sea defences, if you look at Royal Haskoning, who are well-regarded in Holland, for example, which has an issue with low-lying areas, they bring a whole back-catalogue of history and experience and that value that you get.

1145 I think the consultants with regard to hydrocarbons are extremely experienced in their field.

**The Chairman:** Can I ask, when you bring a Policy Letter in a particular quarter in 2018, could you specifically address the question of what you have spent in the budget, to date, and to what extent that represents value for money? I think that would be quite helpful.

1150 Mrs Morris....

**Mrs Morris:** You mentioned in passing the proposal that there might be an electricity cable, direct from France to Guernsey.

1155 Certainly, in our meetings with P&R on the bond review and STSB, more recently, there seemed to be a difference of opinion about whether that £100 million cable was necessary or not and, to clarify, P&R think that is where £100 million is going to be spent, STSB think there are other options.

The solar panels that they are currently looking at, they also mentioned a wind farm off the north-east coast of Guernsey. So, where does E&I stand on this?

1160 **Deputy Brehaut:** Are you going to ask specific questions on renewables later?

**Mrs Morris:** Sorry, I may have jumped the gun. I was more concerned about where we are going to spend money.

1165 **Deputy Brehaut:** What is changing, in broad context, in early 2016, there were 30 electric vehicles on Guernsey/ Today, I think there are now 115, heading towards 120. Now, there are 308 hybrid vehicles. So, battery life is changing, and people have got the confidence to move across from what they know to something that they consider to be reliable.

1170 Battery storage is now moving across to home storage, so the potential to have micro-generation on your home and store it, because these days I suppose a lot of people have solar power to heat the hot water, because the sun is out in the day and you draw hot water in the evening when you get home.

1175 Home storage, the improvement in battery storage, will mean that more and more people will become off-grid and that creates another problem, which is where is the social equity in that, if people who can afford to go off-grid leave those, who are dependent on the grid, to pay for the remaining grid infrastructure?

1180 There are lots of questions that arise from the benefits of renewables and how people actually benefit from them and those who are not ready to make that transition just yet and that they do not end up paying for the cables in the ground or the gas pipes in the ground, because they cannot tap into micro-generation.

The project, with regard to offshore wind, was a project called Windy Isle. We have a LIDAR in position off of Chouet, where it measures wind at different heights. So, the LIDAR can predict where there is a consistent wind direction and when you best situate an offshore wind turbine.

1185 To have wind generation on Guernsey, with the land mass population proximity to houses, you get ground effect, which compromises the flow of wind to the blades.

I know one has just opened on the coast of Scotland which is completely self-funding because there is a revenue stream from the moment it is operational. They sell straight into grid.

1190 I know, in Guernsey terms, these seem extremely ambitious projects, I think, but offshore wind, I believe, will be a reality perhaps sooner than most of us expect. How you fund that, and the state involvement and private enterprise is perhaps another conversation to have.

**Mrs Morris:** So, going back to my question about the £100 million electric cable that P&R think we probably will have and STSB thinks we may not have, where do you sit?

1195 **Deputy Brehaut:** You have made a note, Jon, do you want to?

**Mr Buckland:** I think this really highlights the need to update the energy policy, because that will inform Guernsey Electricity, how they would spend their money. I know the chief executive and managing director of Guernsey Electricity is really keen that, that piece of work is ongoing, and get started as soon as practical.

That was highlighted in the Policy & Resource Plan that the States approved last week, as well.

1205 **Deputy Dorey:** That is ultimately what we decided was the priority for the community. Do we want to rely on energy from a pipeline which comes from France, and there are political possible problems in the future, or do we want to have our own energy source, locally, which is renewable and can be relied on?

Do we want to have plans to generate it using hydrocarbons?

1210 Ultimately, that is one of the key decisions which, I think, need to come out with our energy plan. Therefore, Guernsey Electricity will then understand the policy of the States, so that they can invest appropriately.

**Mrs Morris:** Because they are the doers!

1215 **The Chairman:** I think we will have to come back to this topic.  
Can we move onto waste, now, please?

**Deputy Brehaut:** Fine, yes.

1220 Can I just say, energy policy is moving towards energy independence? As Mark pointed out, you do not want the geo-political risk of a French government, with many investors, then via Jersey, if that is the case.

Independence of energy supply is something that we should aim towards and renewables give you the ability to have that independence without outside influences dictating or influencing your market.

1225 **Mrs Morris:** And the fact that we live on a windy Island with a huge tidal range kind of helps with that.

**Deputy Dorey:** We have to bear our responsibility, within the world, in terms of reducing CO<sub>2</sub>.

1230 **Deputy Brehaut:** Exactly right.

**The Chairman:** I think we need a separate session on energy and renewables.  
Over to you, Mrs Morris. Waste.

1235 **Mrs Morris:** Recently, the States' Trading Supervisory Board told us that they were quite pleased with progress on the solid waste strategy.

**Deputy Brehaut:** I am sorry, I did not hear the first part of your sentence. Who were pleased, sorry?

1240

**Mrs Morris:** The States' Trading Supervisory Board say they are very happy with the way things are going. Does E&I concur in this view? Is everything going to plan? Are we to expect to come online in late 2018?

1245

**Deputy Brehaut:** With regard to solid waste? (**Mrs Morris:** Yes.)

What I said to your colleague, before we sat formally, was what I found interesting in this political term, I may have already mentioned this, is the joint working, which is very different.

The IDP and other projects have been joint Policy Letters. This is a joint Policy Letter. I am content, personally, I have to say, and I think my colleagues are. The two issues that may generate some debate would be, possibly, the proportionality of the bill, is the tag label level set at the right rate? Should the standing charge be higher or standing charge be lower? With regard to central billing, is that something that is achievable, how we continue to work with the parishes? There is something of a debate to be had around there.

The broader, big picture stuff of are we doing the right thing, in essence, if that is your question, I believe that we are.

1255

**Mrs Morris:** You have, very helpfully, brought forward the charging and I have actually managed to pick it up since Monday. I have read two letters, now. The first one talks about moving from £2 per week to £7 per week, on average. The second one does it on an annual basis.

1260

But, my reading was that, actually, you are not prepared to put a price on it now, because it might have changed by next year and how might that change?

**Deputy Brehaut:** Can I defer to Mark here, for a really good reason. One, it is a hell of a question, but secondly, this is a joint report from E&I and the States' Trading Supervisory Board. Deputy Dorey sits on the Waste Strategy Implementation Board.

1265

Mark has lived and breathed this charging mechanism in real detail. So, there is no pressure, Mark, perhaps you would want to deal with that question?

**Deputy Dorey:** Could you just repeat it, sorry?

1270

**Mrs Morris:** The question was the first letter I read talked about the feasibility for households of moving from £2 a week to £7 a week. The second one talks about £125 a year to £360 a year. But, actually, what you have put forward to the States does not specify what will actually be put forward *in toto* next year.

1275

Those are fairly consistent. Are the public to expect that to move upwards by the time this is actually implemented?

**Deputy Dorey:** It was in the Policy Letter we lodged. It talks about the household that produces, on average, one bag of refuse per week, will pay around £6.37 per week, or £331 per year.

1280

There is a separate Ordinance, which would be the Charging Ordinance, and the numbers would be in that Ordinance. It is not in this Policy Letter.

**Mrs Morris:** Just to be clear, it will be in the Ordinance, not in the Policy Letter.

1285

**Deputy Dorey:** The parish charges are what the parish charges and those are decided at parochial meetings, because that is for the collection of the waste. This is the fixed charge, the bag charge, and they will be in the Charging Ordinance which will follow on from this report.

1290 Basically, this is just clearing up. Some of the things were not very well defined, in one of the previous reports, of 2014, so this is just tightening up the Resolutions of the States.

We looked at just amending them, but it was not clear, because it referred to a section in that report. So, that is we have set out the Propositions as they are, so that there is clarity on how the charging is going to be done.

But, the actual rate will be in the Ordinance.

1295

**Mrs Morris:** So, digging under this a little deeper –

**Deputy Dorey:** But there is no expectation that it is going to increase.

1300

**Mrs Morris:** Okay, thank you.

Deputy Brehaut mentioned it, but basically, the public are looking at three charges. A collection charge from the parish, a WDA charge from the STSB, who are the Waste Disposal Authority, and then a tag charge.

1305 I have a couple of questions on this. One is, why three? I get the user pays, but why have the parish charge one and the waste authority charge another? Why not just collect it all centrally and then pay the parishes? Would that not be simpler and be more efficient, because you would not have two lots of debtors to be chasing?

1310 **Deputy Dorey:** Yes, it could be done more efficiently. I think, going back, the centralisation of collection was something which was thought about, but I think there was a fairly heavy lobby on PSD – and that was before I was a member of PSD – which resulted in them proposing that the parishes have responsibilities for collection.

1315 Now, the parishes are going to go out for collection in their area, so the collection charges will not be the same across the Island. Presumably there will be a difference, because each one will have a contract with a contractor to collect their waste.

So, each parish will have its own collection charge. We have estimated what that will be, but it could vary.

1320 Obviously, some areas of the Island are more urbanised and some of them are more rural, which might also affect the collection charge, as they do now. Each parish charges a collection charge, effectively, in your parish rates. They also charge a disposal charge, based on the quantity of waste that goes across the weigh bridge at Mont Cuet.

**Deputy Brehaut:** Can I just add something to that, which might be helpful?

1325 Yesterday, under my signature and that of Charles Parkinson, STSB, we have approached the douzaines to raise the issue of consolidated billing, so that perhaps there is a WDA charge, because it makes things simpler. (**Mrs Morris:** Yes, it does.)

1330 I think what PSD inherited, and Mark was on and Deputy Harwood may have been at the time, is that when the discussion of waste was broached for the first time, the parishes wanted to make it clear of their involvement and the necessity for their continued involvement. I think, perhaps, at times, and I do not mean any disrespect at all, the parish voice may have been disproportionate in what you are looking to achieve, ultimately.

**The Chairman:** Can I just come in on that?

1335 Obviously, there is no agreement, yet, with the parishes, in terms of how the billing is going to work –

**Deputy Dorey:** There is an expectation that the parishes do the collection charges and the States do the WDA charge and the bag charge is done when you purchase from the retailer the sticker to put on your waste.

1340 You say we have got three elements, if you look back at the original Policy Letter, there was going to be a charge for recycling bags. There have always been three elements to it.

The current view is that charging for recycling bags at a relatively low rate is expensive in terms of administration and it is not in terms of the behavioural change that we want and, therefore, the decision has been made that we go for a fixed charge and a per-bag charge.

1345

**Mrs Morris:** I am not disputing that.

**The Chairman:** In terms of the fixed charge, in terms of trying to bring together the fixed parish waste charge with the disposal charge, as it were, and getting the parishes to invoice that, there is no agreement on that, is there?

1350

**Deputy Dorey:** No. Obviously, as Mrs Morris has identified, it would be more efficient if there was one bill, which covered the parish collection charge and the fixed charge. Currently, as I said, the parishes collect a collection charge and a per-tonne refuse disposal charge, based on the weight that goes across the weigh bridge from the waste collected in their parish.

1355

Yes, it would be more efficient. But, obviously, the parishes, up to now, have been very anti-that. The alternative would be that the States collect both charges and then passes the money on to the parishes. That is the other option, but I would accept that the administration of having two bills for the exact same group of people landing on your doormat, is not an efficient way of doing it.

1360

The parishes and Government need to work together to find the most efficient way forward.

**The Chairman:** But, you can understand why the parishes do not want to, basically, be responsible for sending out invoices on behalf of central Government, though? You can understand their concern?

1365

**Mrs Morris:** I was looking at it the other way!

**Deputy Dorey:** We are all part of Government. What we should all want is the most efficient system for the people of the Island.

1370

They serve the people of their parish, we at central Government serve the people of the Island. We should all want the most efficient system. Having two separate bills is not the most efficient system.

**The Chairman:** Is the dialogue with the parishes ongoing and how far have we got progressing that?

1375

**Deputy Dorey:** The dialogue is ongoing. Deputy Brehaut said he signed a letter, to try and have one more go to work to persuade the parishes to make that change, to accept that they pay both charges.

1380

It is not a simple group. Within it, they can collect from small businesses, so it is not easy to identify. It is not just on TRP Group, they have to be manually identified because some businesses will be included.

**Mrs Morris:** Just so we are all clear, the letter that you have just signed is for the parish to collect both charges, not for the States to collect both charges?

1385

**Deputy Brehaut:** Yes, it is the case. To ensure that the system is simplified.

1390 **Deputy Dorey:** That is identified within the Policy Letter, it says it would be ideal. The alternative is, as identified, if we do it.

Again, you will have to work with parishes. One of the problems is the primary legislation, which is the parish claim, the Law identifies the parishes collect it.

1395 We have to do some work with the Law Officers, because it is from the legislation. It is whether you can amend that at this point in time and have it ready for the scheme to start. It is not a simple matter.

**Mr Buckland:** Can I just say that we have invited the parishes to a meeting with STSB and E&I to try and explain.

1400

**Deputy Brehaut:** It just makes sense. This is a new system. The confusion of having bills for one element of waste disposal, having a number of bills payable to the douzaine –

**The Chairman:** I can see Deputy Lester Queripel in the audience, I am going to ask his normal question. Do you think the levels of communication between your Committee and STSB and the parishes have been adequate, bearing in mind the amount of confusion and the lack of agreement?

1410 **Deputy Brehaut:** I think it has been. I do not share the view that there has been, necessarily, a confused or muddy picture.

When you talk about this element of consolidation and working, there are things we do as politicians, with the obligations of our Committee, that we need to do as business as usual. Sometimes, when States' Members get the fruits of our labour, if I can put it that way, they think, 'Hold on a minute, how did we get here and why did I not have any involvement?'

1415 That is not an uncommon experience, but we cannot approach every issue with 38 or 40 States' Members.

**Deputy Dorey:** Ultimately, the Waste Disposal Authority, going back to what Deputy Brehaut said, is the doer in this and we are the policy makers. The doers are to communicate with the parishes.

1420

**Deputy Brehaut:** What I am hoping on the bag charge – I have raised this because there was an email exchange between Deputies with regard to what constitutes a standard waste sack, for example – issues like that with point of sale, when you go in to buy your labels and most people, naturally, would think hold on a minute, 'I am not paying for five labels today, I am going to buy one label and I am going to see how much I can get in that bin sack of a standard size and I will compost'. Because 40% of a black bag is food waste, apparently. So when people take that 40% out and think in terms of recycling, actually, as a waste stream, and they think about waste in those terms, then I think people would surprise themselves by how little waste they actually put out and how much it will cost them.

1430

**Mrs Morris:** Talking about the costs, my understanding of where we got to this approximately £7 a week is that that is to cover the fixed cost of the waste strategy.

1435 Going forward, would you expect the charges to go up by, say, RPI or whatever, rather than saying here are all our fixed costs, let us divide them by the number of households, that is the new one?

1440 It seems to me that, if you base it on a cost-plus or a break-even, then you are not encouraging efficiency in the Waste Disposal Authority or the parishes. Whereas, if you are actually saying this is how much the consumer will tolerate, then you are putting backwards pressure onto the suppliers of that service.

**Deputy Brehaut:** That is a good question. I am not entirely comfortable with giving a definite answer on whether it would be RPI or otherwise.

1445 What I am acutely sensitive of, at the moment, is people have put out a black bag for years and not really given any thought as to what happens to it. When we change the focus and emphasis in handling waste in a different way, it becomes increasingly price-sensitive and people have an acute awareness of what they spend.

I think, whatever mechanism we use, maybe in the future, out of necessity, to increase that, we have to be very careful what we do.

1450

**Deputy Dorey:** The facility, obviously, has labour involved in it. There is the plastic to wrap them. There is the contract with the UK company to take the refuse. There are the shipping costs.

So those costs are going to change and therefore I would imagine that the cost will increase, as everything does tend to increase over time.

1455 They are identified as current costs, but there are contracts. We specify the amounts we pay for various elements of it.

But ultimately, this is a decision for the Waste Disposal Authority and not E&I, who are the policy.

1460 **Mrs Morris:** Can I then move on to inert waste?

**The Chairman:** Before Mrs Morris jumps in on inert waste, can I just have one final question on the charging mechanism? What we learned from the Policy Letter on there was that, basically, the benefit system is going to pay out £500,000 more than it does at the moment, in order to cover for this.

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So, we have got new charges coming in, which our Government, the States, is levying, and we will need to put up benefits by almost £500,000 to pay for that.

Is that right?

1470 **Deputy Brehaut:** Any responsible government has an obligation to look after the most vulnerable people. A personal perspective, I think we should not introduce elements like that as being derogatory or an observation on a failing system. I think we should see that for what it is, which is an acknowledgement that there are people out there, some people are on the margins; we need to assist them, and Government does the responsible thing in assisting them.

1475

**The Chairman:** Do not get me wrong. I accept the case for the need and for the benefit system to intervene. But we are, as a Government, in control of what charges and fees we levy on people, whether we levy across the board or otherwise. We are, kind of, taking with one hand and giving back with the other.

1480 Is there any scope for standing back and saying is that the right approach?

**Deputy Brehaut:** I suppose, with having a standardised system, that if you change the charging structure to meet every individual's requirement, then, presumably, it becomes much more complex. Set aside means-testing, all the rest of it, then it becomes a much more complex exercise.

1485

**Deputy Dorey:** We charge for all our services: water, electricity. Obviously, when the Supplementary Benefit rates are calculated, they take this into consideration. So refuse is going to increase, we all knew that. We were doing it in a very cheap way, in the past, which was not sustainable.

1490



Therefore, there is an increased cost. Therefore, just as the calculation or the figure for benefits has been derived in the past, it takes consideration the cost of living in this Island. There is an increased waste charge, which is an increased cost and, therefore, I accept that at least the increase needs to be covered by Supplementary Benefit.

1495

**The Chairman:** £494,000 – I presume that, at every stage, the Committee for Employment & Social Security have been informed of what this is likely to cost. It would not have come as news to them, when the Policy Letter came out on Monday, or Friday, whenever it was?

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**Deputy Brehaut:** I think we would have heard from them if that was the case!

Let us not overlook the fact that Deputy Langlois sits on both Committees and it is quite common for people in any other business to flag up, very early, when there is the potential for another Committee to have involvement at a later stage.

1505

**The Chairman:** That is good.

Just one final question, before we go back to inert waste. I will ask the question, because I asked it to your colleagues at the STSB.

Obviously, there are a number of *dramatis personae* in the delivery of the waste strategy, as we have discussed. The STSB, E&I, the parishes.

1510

So, hypothetically, Mrs Le Page, from Castel, comes to me and says, 'My bills are going up.' Or, 'I do not like the waste strategy.' Or, 'I do not like the way it is being done.'

Who is accountable for it? Who do I say, to Mrs Le Page, is actually accountable for the waste strategy? Is it yourselves, is it STSB, is it the WDA? Who physically is it?

1515

**Deputy Brehaut:** The question is frequently posed to civil servants, to say who do you work for? They say, 'Well, I work for the airport, I work for the harbour.' Actually, you work for the States of Guernsey, you work for the Island. It takes some people to arrive at that answer.

From the householders' point of view, that point of contact would be the person, presumably, that bills them and that would, probably be their initial exposure and awareness of the system and what lands on their doorstep and that can be dealt with by STSB.

1520

The helicopter view is that we are responsible for the waste strategy.

**Deputy Dorey:** Mrs Le Page is responsible for the strategy. She elects the political representatives and it is the States of Guernsey that made the decision on the strategy that was agreed.

1525

There was a serious debate and even on the final debate, which was in 2012, there was a number of options in there. The States made that decision and since then PSD, and now E&I and States' Trading Supervisory Board, have been implementing that strategy.

1530

**The Chairman:** Do you think there is an issue, though, with accountability, when functions on a particular subject are split between more than one board?

The States' Review Committee was supposed to clarify the lines of accountability, not make it more opaque.

1535

**Deputy Brehaut:** Just on the lines of accountability, I think most things are my fault. That is my life experience.

Whether bus seats for the drivers are comfortable or otherwise, that appears to be my responsibility.

1540

**The Chairman:** We were hoping to get onto that.

**Deputy Brehaut:** Whether we change a bus route to the detriment of one family, that sits. What we have not done particularly well, as the new States, is be brave enough to say, 'That is operational. There are people with 30 years' experience in running the bus service that actually work for us. They are specialist. Speak to them.'

Rather than having what I think was over-learned behaviour from historic States, which is to have a Member of the States to defend something that the States have done when actually, like a lot of organisations, things happen at many different levels. Sometimes the person with the answers, with all the information, actually is not the politician; it is the person doing the thing that we paid them to do.

**The Chairman:** But the politicians are politically accountable?

**Deputy Brehaut:** No qualms. When I say it is usually my fault, I was trying to say that I am ultimately accountable.

If you look at the mandate that we have, then I expect to be called to account quite frequently, as I am, on numerous aspects.

**Deputy Dorey:** The business end of the States, the whole point of the Review Committee, was that it was run with a more business mind. That is why the States' Trading Supervisory Board is made up of politicians and non-politicians.

But to make the policy decisions, I do not think it is acceptable at that road juncture of non-States' Members. That needs to be made by elected States' Members. So that is why we, at Environment & Infrastructure, have the policy responsibility, which it is quite right that is made by politicians.

The doing, the business end of it, because it has got a public element of it, there is a mixture of non-States' Members.

**The Chairman:** I do understand the logic of it. I just wonder what the implications are of accountability.

Let us move on. We have taken an executive decision not to look at inert waste. We are going to talk about transport. We have only got 10 minutes left.

The Integrated Transport Policy did not make it into the Policy & Resources Plan, in terms of the 23 final priorities under the P&R Plan. Deputy Brehaut, does that mean that the Integrated Transport Policy is dead?

**Deputy Brehaut:** No, the reason it is not in the Plan is because it is a living thing. The history is, as we all know, that the minority report became the majority report. The States approved each and every element, when the legislation came back, the States rejected it.

It has meant, of course, there are revenue implications, States-wide, because we now have to look at the vehicle of taxation of some sort.

On a daily basis, elements of the transport strategy – I had a list in front of me – things such as the installation of cycle and bus shelters, issuing Accessibility taxi plates, increased motorcycle parking spaces, installed cycle hoops, dropped kerbs, additional parking spaces, whether for small cars, narrow cars or electric vehicles, introduce the Bikeability scheme, which replaces the old cycle proficiency and the *Ruettes Tranquille* system is another one.

**The Chairman:** These are things that are being progressed, in this term, by your Committee from your own budget?

**Deputy Brehaut:** Yes. The money for this, we introduced the first registration scheme on new vehicles, only, and the sum to date, since its introduction, we have raised £1.7 million and that £1.7 million will be spent on the project.

1595 I did say in the States recently, it is something of a frustration of ours, we would like to do things, sometimes, in a different way. But we do not have the requisite number of staff simply to go out and do the things we need to do.

1600 I was interested in hearing recently of work regarding the Health Commission. If you look at our Active Travel Unit, our travel unit, other than doing the business of what they do, they are, in part, health promotion, whether it is cycling, walking, whatever. We need to think, as a Committee, whether, looking back at the work to date on the transport strategy, are we delivering things in the most effective, efficient way? Could we do this in a different way and could something like active travel, at some point in the future, which has been discussed, be under the Health Commission, whereby you have a health promotion unit?

1605 As I think I said earlier, if I tell people to get on their bikes, it is not what they want to hear. If the Health Commission are telling them to get on their push bikes, they take that.

If we consolidate some really positive messages about the transport issues through a body other than E&I in the future, I think that might help us sell the message.

1610 **The Chairman:** Naturally, my opening question was over the top, deliberately. What you are seeking to do is to pursue the strategy that you have, with a limited pot of money, but the recognition has to be made that, because it is not in the 23 priorities of the States, there will not be any new money to pursue –

**Deputy Brehaut:** There will not be new money, but there is a great deal more we can do.

1615 If I can refer to the Salerie cycle path, which became, I suppose the size of a cow and a rather big cow at that, in short order: it was perceived that Guernsey was doing something very radical and very different, when in fact the scheme that we introduced is commonplace in places all over the world and it is difficult, I think, for whatever reason, within the Guernsey political culture and we have an Island, arguably, saturated in vehicles, that if you try and do anything to intervene, it is met with resistance.

**The Chairman:** Do you think that project has made the junction safer?

1625 **Deputy Brehaut:** Beyond doubt, it has made it safer.

**The Chairman:** Can you evidence that?

1630 **Deputy Brehaut:** If you look, people used to post on YouTube, on a frequent basis, accidents that happened at the junction. Also, one of the very small pieces within the transport strategy was get the police and E&I to have an accident log and to acquire evidence in relation to particular junctions to ensure that, when we intervened, we were intervening for absolutely the right reasons.

I believe it was the right thing to do there.

1635 **The Chairman:** You believe there is an evidence base that supports the work that you have put in place there and it has made it safer?

1640 **Deputy Brehaut:** I think it has made it safer, but it also sends out a very strong signal. If you just look at something very small that seems to take us an age to do for different reasons, finally, just the same with road closures, closed for cars but feel free to cycle through. Just talking up

cycling and presenting cycling as being something safe and a healthy option is something that should not actually be so difficult.

1645 **The Chairman:** With regard to a statistical base for assessing road safety, in particular junctions and particular places, by the very nature of Guernsey, the statistical base that must be operated from must be quite small, quite limited. Is that a fair comment?

1650 **Deputy Brehaut:** I do not know if you recall, but the police used to have acknowledged accident blackspots, which we hear less about. From our perspective, becoming aware of accidents and tensions, it usually arises in a request for a filter and turn, for example. The policy used to be that filters and turns should not be used to slow traffic down, because that is not what they were designed to do.

1655 But, actually, filters and turns do slow traffic down. If you think of the Vale Church or Les Landes, historically there were a number of requests to have filters that were turned down, because they said it is not the function of the filter to inhibit the flow of traffic when actually, people respond positively at filters. They do moderate their behaviour and reduce speed.

1660 **The Chairman:** Would you accept that it is a relatively limited statistical base that we are operating on, because of the nature of Guernsey being such a small community?

**Deputy Brehaut:** I think it is. I would just raise one, very specific thing. We allow children to ride motor scooters at the age of 14. I know, during my time at HSSD, that there were a number of serious lower leg injuries in girls in particular, and broken wrists, broken arms, severe facial grazing and things.

1665 Now, we probably should capture that and have it in one place and that is something we may need to do.

You are right, the evidence base, historically, has not been particularly well-kept or accurate and that is what we are trying to do.

1670 **The Chairman:** Sorry, we are just conscious of the time.

**Deputy Brehaut:** I do not mind staying beyond 12.

1675 **The Chairman:** Shall we see how we go?

**Deputy Brehaut:** I did not ask Mark, by the way!

**Mrs Morris:** And Jon does not get a choice!

1680 **The Chairman:** Can I turn to the CT Plus bus contract?

Up front, I do not think we have ever seen the contract, from a Scrutiny point of view. Can we request to see that?

1685 **Deputy Brehaut:** We can share that.

**The Chairman:** Obviously, the contract is a major area of States' expenditure to a third party, to provide the service in question.

I think the first question, simply, is how does your Committee ensure that the big cost of that contracted service is proper value for money?

1690 How do you provide oversight of that contract?

**Deputy Brehaut:** In fact, Karl Guille, who was interviewed recently on the change of the bus services, the staff member overseas, the contract and arrangements on a daily basis, and is extremely experienced. The bus contract is fascinating. Is it a headline figure of £3.3 million, with just over £1 million income, £400,000 fuel duties, within that, and we provide elements of the school bus service?

The bus service could be better yet, but it is probably the limitation of what we spend on the contract that is probably inhibiting further enhancements.

The P2, which when we started had one person per journey, which now at times has seven people on. To get a bus service to become successful, you need to bear with it and you have to keep investing, so people get confidence that it is going to turn up.

I see it as value for money, as evidenced by the demands for us to extend the bus service to other places and we simply cannot afford to do that.

Is it an 18% increase in bus users last year? It is an incredible success, the bus service. But it does show that, if you invest relatively large sums of money in relation to our overall budget of £12.5 million, you do get the rewards.

Every person on a bus, arguably, is one less car on the roads.

**The Chairman:** Deputy Queripel?

**Deputy Queripel:** I presume that we all agree that whether services are outsourced are not, the responsibility ultimately relies with the relevant political Committee? With that in mind, do you actually get sight of the CT Plus accounts, the Committee itself, or do you leave that to staff members?

**Deputy Brehaut:** No, we get to see the accounts. They are shared with us.

**Deputy Queripel:** And you feel sure that, because you see those accounts, the subsidy is justified, and it is well spent? The apportioning of the subsidy, I mean, the various areas of their operations?

**Deputy Brehaut:** Yes, and I would say Deputy Queripel, it is evidenced by the fact that there is so much more they want to do that they cannot do and so much more that we want to do that we cannot do.

With what they do now, I believe, it is money well spent. If we just stray into capital expenditure, Guernsey, really, should be looking at electric buses, or at least, hybrids. But we have not had the sums of money that would enable us to make decisions like that, just at the moment.

Smaller electric buses, better tailored to the Island's lanes, are much more expensive. Perhaps it is something that we should be looking at in the future.

**The Chairman:** You said that bus use is up 20%. Who exactly are the new passengers?

**Deputy Brehaut:** That is interesting, because people will say 'of course it is up' because of the cruise liner passengers and, in fact, cruise liner passengers are very good customers of the bus company and actually, at times, a nuisance element, frankly, because regular users cannot get on the bus – which means we would trial again, this summer, putting on with CT Plus, hopefully, what has been called in the past a Red Route bus that takes the strain of cruise passengers.

But the increase in numbers has come from the residents, as well. The increase in numbers is not just from cruise passengers, it is from locals.

We know that student passes are hugely popular and the concessionary fares, which cost you and I money, it shows just that, that buses are being used by people who are on concessionary fares – as well as 8,000 people on the Island who do not have a driving licence and never will.

1745 **Deputy Dorey:** We can say that with some reassurance because in January, we compared 2017 to 2016, there was a 13% increase. There are no cruise passengers around. In March, it is a 14.77% increase. There are no cruise passengers around then.

So, there is a very significant increase from local use.

1750 **Deputy Brehaut:** We really do want the P2 to be a success, but the more criticism of it and the likelihood that it may not be permanent, you get into that cycle where people think, 'I will not take the bus, because I do not know whether it is going to be there next week or next month.'

1755 **The Chairman:** How long do you give routes like that, though? How long do you give an unpopular route before it demonstrates its success or otherwise?

**Deputy Brehaut:** The P1, there was a clamour at the time, people were saying that people in the west were not best-served by any bus service that serviced the airport, in particular. So, we put on the P1, which really never got any traction, and that was stopped.

1760 Whereas, the P2, the numbers are building. If we promoted the P2 more aggressively, over the next year, certainly, or six months, I think we could get the numbers up further.

1765 **Deputy Dorey:** I think the October increase was just sort of 80%, compared to previous years. We have slightly increased the time that the bus runs. We are planning, with these latest increases, to increase the times slightly further.

**Deputy Brehaut:** Can we talk about the value that is not visible in the bus service?

1770 The bus service takes people to the PE, to the warfarin clinic, to residential homes, to nursing homes. I have ridden the P2 several times. They have got a really good relationship with the bus driver. They are known to the bus driver. There is a community value within all that, I know it is a cliché, but you cannot cost in actual numbers.

1775 I think reaching some people and getting them where they want to be, without having to get a cab or pay for a cab, or rely on a voluntary car service, they feel that they have got an entitlement to use a bus, free of charge, as a concessionary fare, because they have paid their insurance and tax over many years. I think there is a value to that.

**The Chairman:** Advocate Harwood.

1780 **Advocate Harwood:** Back to the buses and you mentioned the desire to have electric or hybrid buses. You have implemented, now, phase one of the replacement. When are you scheduled to do the follow-on phases? There are another two phases, aren't there?

**Deputy Brehaut:** It is imminent, I think.

1785 **Advocate Harwood:** Do you have scope, if there is a development or seems to be a potential alternative to the current buses that you have got on phase one, you could actually introduce buses?

1790 **Deputy Brehaut:** Wrightbus, of Northern Ireland, make the buses for us. Like a lot of people who manufacture buses, they have to tailor of their jigs and equipment to make a bus the width that we demand it is. So, that is the first compromise. Then, you have to say to them, to make a bus of that size and width, 'Can you also make it a hybrid or an electric bus?'

But because the market is changing, that is something now that they will want to skill-up and want to do. I do not know whether, in dealing with the company we are dealing with at the

1795 moment, whether the time is absolutely right for them to deliver that. But clearly, there are more companies out there looking to manufacture hybrid and electric vehicles.

**Advocate Harwood:** So you are not precluded from, actually, widening the net for future deliveries?

1800 **Deputy Brehaut:** Do we run 44 buses, Island-wide, something like that? Of which, we have done the first 12. So, in the next round of that capital expenditure, we really need to be doing something other than buying Euro 60s, I would hope.

**The Chairman:** Deputy Queripel?

1805

**Deputy Queripel:** While we are on the new buses, in light of the concerns raised by some of the bus drivers, in regard to the issues with the new buses, whether it is a turning circle, or the driving seat, or the limited visibility, will you be taking those issues on board, going forward, in regard to what buses you might purchase in the future?

1810 Or will they just be put to one side? One of the CT Plus management representatives was quite bullish in their comments about what the drivers were saying. Will he be taking those concerns a bit more seriously in regard to future purchases?

**Deputy Brehaut:** Jon, do you want to say something?

1815

**Mr Buckland:** Can I just chip in on that, because actually, last week, Karl Guille, director of traffic and highways and myself, we met with Wrightbus, we fed back those concerns. They will be in touch with CT Plus to help to address those.

1820 Likewise, in discussions, we are working with Policy & Resources and the procurement director Simon Steele, to identify the next way forward.

The constraints we face going forward are the timing, because we have a fleet that is ageing, and in terms of the budget we face.

1825 **Deputy Brehaut:** The downside to the old buses was that, because of the positioning of the wheels, to turn a corner, the cab was over the payment, so the pedestrians were compromised. Whereas now it may be a little bit more awkward for the bus driver, but it is safer for anyone who might be on the corner of the pavement when the bus arrives to turn the corner.

1830 **The Chairman:** Just to go back to the integrated transport strategy. As you see it now, in terms of the initiatives that you are pursuing within your own budget, what exactly is integrated with what is in and what remains of the integrated strategy?

Has integration been achieved, to any extent?

1835 **Deputy Brehaut:** We started from a different place to most communities, because Guernsey had had a number of failed transport strategies. I will not name the minister but, I think, from a few terms ago, in introducing the strategy, the words at the time were, 'Let us face it, you will not winkle a Guernseyman out of his car.'

So, that was the starting point for a strategy you are then going to produce that might necessitate somebody getting out of a motor vehicle.

1840 We have started from way back. We are well behind the curve. In trying to do what other communities like London, like Bristol and Denmark are doing successfully, with regard to moving relatively large numbers of people around town safely, we have not got the infrastructure in place.

We have not, really, if we are honest, got the sums of money needed to facilitate real change and we also have, I think it is fair to say, political resistance to very modest changes.

1845 So, whether it is as integrated as we would like it to be, I would have to say it is not, simply because we do projects in isolation, because of the financial limitations we have at times.

**Deputy Dorey:** We are very much focused on improving road safety, promoting alternative transport options, ensuring accessibility for all, managing and improving the roads infrastructure, safer vehicles, reducing pollution and improving the public realm.

I think that is what the integrated transport strategy is. That is what exists. That is what our policy is. That is what it should be.

**The Chairman:** I just wondered whether the title should be changed, if you admit that it is not integrated.

**Deputy Brehaut:** Windscale became Sellafield. It remains what it is.

I have often thought the same with Supplementary Benefit. If people say, 'are you on SupBen?' it is a pejorative term when actually it is an entitlement people have.

1860 I have this rather downbeat view, Mark is right to show that.

I just wanted to say a couple of things further. There are areas within St Peter Port where the public realm has been lost to the community. Some people need to just stop and think what have we lost to the motor vehicle, with regard to public realm.

1865 When we, as a Committee, want to do something about that, like pedestrianisation, it is much more difficult sometimes than you imagine it might be.

At some point in the future, we will revisit the pedestrianisation of Church Square. At some point, we will revisit the pedestrianisation of the La Tourgand, behind the States' Tourism Office. We know that, in wanting to do those things, to reclaim aspects of the public realm that, politically, it is not a given. We know that that will meet with a degree of resistance, probably.

1870

**The Chairman:** Advocate Harwood.

**Advocate Harwood:** Will that feature, then, in your harbour area redevelopment? Is that an opportunity for regaining some of the public realm?

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**Deputy Brehaut:** Yes, I think the harbour action area is a real opportunity and, if I could just separate it out. When people talk about the harbour action area, we then talk about the eastern seaboard, which is an odd term anyway. To talk about the harbour itself, there is such unlocked potential within the harbour to give people the freedom to roam, to sit, to dwell, to spend and to make use of the piers other than to park cars.

1880

**The Chairman:** Does that mean that there is the potential that paid parking could be an element of the harbour action plan? According to the STSB report, it might.

1885 **Deputy Brehaut:** I would imagine that our colleagues at STSB, sooner or later ... Let us not forget States' departments now have paid parking. If you park at the airport, you pay to park. If you own property around Beau Sejour, you will be asked to pay to park your car. If it is States or parish-owned land, by the Duke of Richmond's, then people pay to park.

1890 The argument goes that you clear the piers within St Peter Port of all cars then you have, whether it is the tax office that is empty now, or whether it is Frossard House, you have multi-storey car parking. Whether it is a bond or whether it is private money, whatever you do to get your money back, the hourly rate is very high because, to park a car in a multi-storey car park, that space comes at about £50,000.



1895 So, if the States want to take a very, very long-term view and have a low rate of an hourly charge and recover money over a longer period, maybe that would be a form of paid parking that would be acceptable to people.

1900 But we do have to get over that particular obstacle, I think, of paid parking. Because communities worldwide do use mechanisms to move people across to a well-funded bus service, or move people across to good cycling infrastructure, for example.

**Deputy Dorey:** We have had paid parking at the harbour at the East Arm, where you used to be able to pay £3 of something, if you were going to Sark or Herm for the day.

1905 **Deputy Queripel:** Do you think that is something that can be explored again? I have heard comments from quite a few others about the fact that, if you want to go on a day trip to Jersey or to Sark, or something, there is nowhere for them to park, because they will get there, typically, after the time that all the long-stay places are filled up.

1910 Could there be some area reserved for people who want to go on day trips and boat trips? They would pay for the privilege.

**Deputy Brehaut:** I am sure STSB are looking at all those options because, if you remember the last States' Meeting, I think we all voted. I think we have given them quite a chore, a task in generating that amount of revenue to give back to the States.

1915 I am sure they will be looking at various options as to how they achieve that.

**Deputy Dorey:** The best way, of course, is to use the bus.

1920 **Deputy Queripel:** That should be a choice, though, shouldn't it, Deputy Dorey? Not something to be forced upon people.

**Deputy Dorey:** In the community, when there is limited space, sometimes you have to make the best use of what transport you have available.

1925 **The Chairman:** We will make this the last question.

**Advocate Harwood:** Can I just follow up on harbour area redevelopment, will that be led by your department and how will you relate to the States' Trading Supervisory Board, who will actually have the operational role around the harbour?

1930 **Deputy Brehaut:** States' Members were informed that there was an informal meeting, just to try to get the ball rolling on the harbour action area, that had Deputy St Pier, P&R; myself, E&I; Deputy Parkinson from STSB; and Deputy Ferbrache from Economic Development, to say that, 'Look, this crosses all your mandates.'

I think Deputy Ferbrache mentioned it in an interview today.

1935 If we look back to the harbour action area that was in the IDP, what we identified as a Committee, was that we did not have an officer to pursue the planning brief for the harbour action area. I think the project, now, has been broadened out to the extent that there would be many hands, now, working on trying to do what, hopefully, can be described as enhancements to the harbour area.

1940 If you think, the bathing pools have been rehabilitated, the Victorian promenades are open. That is a stand-alone project that ties in really neatly to the Octopus restaurant, which is new. Then the brewery site has been rebuilt recently.

So there are lots of jigsaw bits of enhancements, so hopefully, the harbour action area can do a bit more of that.

1945        The only concern I have with the harbour action area is that we sort of over-promise and under-deliver, to say that some people would like to see something to done with the Careening Hard. Other people say, 'No, the Careening Hard is a unique thing that used to enable ships to be laid on their side for repairs and things, Guernsey should keep the Careening Hard.'

1950        So, whatever you would like to do within St Peter Port, because of its historic nature, people need to be listened to so that that States delivers something that is truly an enhancement.

**Advocate Harwood:** You hope there will be progress?

1955        **Deputy Brehaut:** I would say I am confident there will be. But, there are enough people working on it now to ensure that there is progress with regard to the harbour action area.

**The Chairman:** Okay, well thank you very much.

I think we have detained you here long enough. Just, for the record, there will be a *Hansard* transcript of today's hearing.

1960        Thank you very much for attending, much obliged.

**Deputy Brehaut:** Thanks for the opportunity. Thank you.

*The hearing adjourned at 12.14 p.m.*