

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

16th June, 2021

Proposition No. P.2021/45

States' Trading Supervisory Board

Future Harbour Development

AMENDMENT

Proposed by: Deputy N R Inder

Seconded by: Deputy S P J Vermeulen

After Proposition 4, insert the following proposition:-

- "5. To direct the States' Trading Supervisory Board to submit by the end of December 2022 a Policy Letter together with suitable Propositions, which provide for a scheme to develop within St Peter Port Harbour a 'Pool Marina' with associated marina facilities and which includes costings and a delivery plan.

Rule 4(3) Information

The amendment will increase costs beyond those already envisaged to be incurred to develop the States' Trading Supervisory Board's preferred scheme. Information from Ports Management is an indicative capital cost of between £15 to £20m expenditure. However, if it is assumed that there is an annual 10% return from charges after the third- or fourth-year payback is within 13 to 14 years, nett of any ongoing maintenance. As this is a revenue stream it is expected that the Board would fund it through either Private Capital or the States Bond. The funding for the project would **not** come from Capital Expenditure.

Explanatory Note

The States Trading and Supervisory Board (the Board) have largely delivered on the Amended Requete of 23rd May 2019 where the Board was directed to ‘carry out a detailed analysis of the future harbour requirements of, including consideration of any requirement for new berth facilities East of the QEII marina or nearer St Sampson’s Harbour’.

However the proposer and the seconder are of the view that the Board has missed an opportunity to ‘Revive and Thrive’ by only delivering on the States Direction and properly taking into account the opportunities provided of delivering revenue stream to the States by developing the ‘Pool Marina’ facilities.

The Board has given some general consideration to a ‘Pool Marina’ and we are led to believe that this is something that they are ‘looking at’. There is no States direction nor indication from the Committee by statement or press release that a ‘Pool Marina’ is coming back to the States. This Amendment provides an opportunity to the States to provide that direction and signals agreement from the Assembly that they consent to the Board’s aspirations, while setting out clear delivery timetables and delivery schedule.

States Direction

Revive and Thrive – Policy Letter

<https://www.gov.gg/CHttpHandler.ashx?id=126529&p=0>

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However, on 10th June 2020 the States of Guernsey unanimously agreed the Policy and Resources Policy Letter entitled ‘Revive and Thrive – Our Recovery Strategy for Guernsey Together. The central vision from the Revive and Thrive document stated:

“We will work in partnership to recover our economic prosperity, build on our inclusive community values and capitalise on our many strengths to make Guernsey a safe haven based on sustaining health, wealth and community”.

The document set the scene for recovery from the pandemic. Under “**Economic and Financial Landscape**” a future States was obliged to consider the following:

“3.1 Economic modelling based on several scenarios demonstrates that, without fiscal stimulus, the economic recovery could take up to a decade.....”

“3.2Although it is likely that much of this lost revenue will be restored in 2021 as activity resumes, receipts in 2021 could remain some £30m to £40m short of their 2019 level. If we do

nothing that will translate into a fall in taxes received by the States and a gap in public finances of roughly £400m over that 10-year period. “

“3.3 This underlines the importance of adopting a recovery strategy designed to accelerate growth in the economy in a sustainable and resilient way.....”

“3.4 The economic aim of this strategy will be to develop and invest in initiatives which demonstrably improve the recovery curve and accelerate the return of jobs and wealth to our community. “

“3.5 The Strategy has at its core the ambition not just of restoring the majority of economic activity in 2021, but also promoting sufficient economic growth to exceed the previous growth path for the economy within three years. Achieving this ambition will require employers to be able to re-employ the majority of staff and have access to sufficient liquidity to invest in recovery. Our ambition is to consider fiscal stimulus - primarily around construction, financial and professional services and information and communication services – enabling growth rates to improve by an average of 1% per annum. “

“3.7 As well as exceeding the previously predicted GVA, stimulating the economy will improve States’ revenues. If it is assumed that between 20% and 25% of additional GVA is translated to tax revenues”

“3.10 There is a strong case developing to invest in our recovery now. We could provide a fiscal stimulus to our economy that would help create jobs and opportunity as well as improving our environment and our infrastructure. We could cover the gap in public finances in the short term to allow our public services to continue to keep us safe and healthy. “

Revive and Thrive – Recovery Strategy

<https://www.gov.gg/CHttpHandler.ashx?id=126529&p=0>

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The Guiding Principles of the Recovery Strategy

Guernsey Together

“Recovery is a collaborative effort between government, public services, business,”

Look Forwards not Backwards

“Recovery initiatives will not simply focus on reinstating the pre-pandemic status quo. An open mindset will be used in identifying and exploiting opportunities in order to deliver and sustain enhancements to pre-pandemic baselines”.

Sustainable Economy

“identifying growth opportunities and resilience in new sectors and adjacent growth in existing sectors;”

Blue Economy – 2017/2018

The Committee for Economic Development first mentioned 'Blue economy' in May 2018 Policy Letter <https://www.gov.gg/CHttpHandler.ashx?id=113298&p=0> , "States of Guernsey Economic Strategy" This Policy letter built on the 2017 agreed Policy and Resources Plan.

From the Policy letter: "The 'blue economy' concept seeks to promote economic growth and the preservation or improvement of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas".

Blue Economy – 2021

On the 26th of March 2021, the States agreed the first stage of the Government Work Plan. <https://www.gov.gg/CHttpHandler.ashx?id=138030&p=0>

3.5 of the Policy Letter stated, "enable diversification into new areas such as the blue economy and invest in the Island's recovery".

The 'Pool Marina' Visuals

The image below was provided by Ports Management with a caveat that they are draft concepts and layouts of what could be achieved in the area West of Number 2 berth. The Amendment directs the Board to come back to the Assembly with a deliverable scheme. It does not oblige them to follow this illustrative scheme.

Ports Management have indicated that the area illustrated could provide between 150 and 200 permanent berths and include visitor pontoons.

It is understood that all staging, embarkation and disembarkation have not been entirely addressed, but the Amendment does not tie the Board down to any particular scheme or solution. Neither does the Amendment preclude 'land side' property use to develop marina facilities which may include shower blocks, toilets and laundry facilities and the Yacht Club

