

**POLICY AND FINANCE COMMITTEE MEETING
ANNE FRENCH ROOM
20th September 2016
0915hours**

PRESENT:

Mr R McDowall, Chairman
Mr F Simonet
Mrs N Paris
Mr S Roberts
Mr L Jean
Mr G McKinley
Mr I Tugby
Mr N Harvey
Mr M Birmingham

IN ATTENDANCE:

Mr W V Brownlees, Chief Executive (CE)
Mr P Veron, Economic Development Officer (PV)
Mrs K A Hatcher-Gaudion, Treasurer (KG)
Mrs L Baines, Minute Secretary (LB)

Apologies:

Mr C Rowley; Mrs S Pengilly-Price, EO to the Chief Executive

In Attendance:

Lee Dawson, JLD Property Consultants Ltd (item 49.2)
Mr J Young, Planning Officer (item 50.7)

ACTION**52/2016 Minutes**

Minutes from the previous meeting – 19th July 2016 were ratified.

41.3 – a query was raised regarding the report from Stephen Taylor on the Financial Relationship as some members stated that the delegated powers section had not been voted on. The minute's state that the points outlined in section 8 of the report were presented and approved, noting that Mr Jean expressed concerns regarding the delegation and aggregation of States Members responsibilities. The Treasurer advised that most of the other items in the report had been superseded by the budget (and agreed at budget meetings), which was noted.

Voting Age – this is still with the Law Officers.

ARE – Mr McDowall stated that the block fees for the 2nd half of 2016 will be paid. A formal letter confirming this has been requested from ARE.

Notes from the Finance Committee meeting – It was noted that recommendations from the FC Budget meeting held on 29th August had been fed into the P&F Budget meeting held on 6th September.

Notes from the Tourism & Marketing Committee meeting – nothing to report.

53/2016 Matters Arising

53.1 Committee feedback from Chairmen (B&DCC and GSC) and Guernsey Representatives and Alderney Liaison Group

BDCC – It was noted that this coming week ARUP visits for LUP Phase 2 – in progress.

GSC – Meeting this afternoon after P&F. It was noted that the Road Contract has been deferred until 2017 due to ongoing works by AEL & Water Board.

Guernsey Reps – Nothing to report. IDC Development Plan in October meetings.

Alderney Liaison Group – Meeting on Friday 23rd September.

53.2 Education – re Exam Results

It was noted that steps are being taken to improve the education system in Alderney. Workshops are being held with Teachers. The Education Council is aware of the issues due to the staffing arrangements. The Committee stated that there had been a lack of support for school leavers in regards to careers advice. Mr Jean expressed his disappointment with the lack of assistance over the past four years. It was noted that

the minutes of the Management Committee meetings have been requested, and should be provided within the Service Level Agreement. **Noted.**

0935 PV left meeting

55/2016 Economic Development Plan

55.2 Nunnery Options - Report from Lee Dawson tabled and **noted**.

Mr Dawson advised the committee of an estimated figure to restore the property back into great condition, which would also provide a return in regards to accommodation if the Bird Observatory should cease to continue. It was noted that the works could be carried out in a staged approach, or as one project. Axiom (Alderney) Ltd have provided the valuations for the proposed works.

Mr Jean stated that money should be spent to support the Bird Observatory, as it is a precious asset to the island. It was noted that due to the value this would be placed on the Billet for debate as per the financial procedures.

The committee requested the specifications of works proposed for the Nunnery to be circulated to all members and Mr Harvey stated that more affordable options should also be considered.

Mr Dawson advised that the lease would take two months to be produced by the Law Officer's in Guernsey.

The committee agreed to commence negotiations/ discussions on the lease in principle, subject to full States of Alderney approval. It was understood that this process could take 2 to 3 months. Costs are not to be mentioned on the Billet until the tenders have been received. The tender process will be based on the full refurbishment of the Nunnery. Approval for a tender is aimed for the December Billet.

RESOLVED; unanimously to approve, (Mr Jean abstained), Option 3 – Bird Observatory, subject to suitable lease terms being agreed and a full market rent to be charged, with the Chief Executive to authorise and agree appropriate terms.

CE

1025 PV joined meeting

57/2016 Any Other Business

57.1 PAMG Update – Minutes from latest meeting of the PAMG dated 31st August 2016 tabled and **noted**. The committee queried whether there are leases for Casquets, the airfield and Fort Grosnez. These issues are to be identified by LD and the PAMG.

LD/PAMG

1035 Lee Dawson left meeting

55/2016 Economic Development Plan - Continued

55.3 Aviation Fuelling at Alderney Airport – Report from James Lancaster, Managing Director AEL, dated 22nd August 2016 tabled and noted.

The Committee discussed that Jet A1 fuel should be Aurigny and the States of Guernsey's problem to resolve. It was noted that the costs for Self Service AvGas should be less, and be included within the Airport Rehabilitation Project.

Mr Jean stated that the fuel cost should be in line with Guernsey, which would re-incentivise private aviation and tourism. The Treasurer reported that £100k is in the Aircraft Refueling Facility budget for 2017. It was also noted that there is £37k subsidy approved to date in the Economic Development Reserve Fund.

The Committee expressed their gratitude to AEL for covering this service.

The Committee agreed to the following recommendations:-

- The Chief Executive to work together with the Managing Director of AEL to develop a medium term business plan that clarifies and justifies the minimum investment required and the nature and level of operational support,**

- In advance of completion of the business plan, the SOA acknowledges and supports the principle of investment at the level described in the paper, i.e. £100,000 capital investment and £70,000 to £100,000 operational support per annum,**
- To pursue a dialogue with counterparts on Guernsey and with Guernsey Airport to secure some or all of this investment and support,**
- That AEL defer cessation of the service at year end and continue until such time as a business plan has been properly considered,**
- That the business plan be presented to the Policy & Finance Committee for consideration in early 2017.**

CE/JL

*1100 JY joined meeting**1105 MB and Minute Secretary left meeting***56/2016 Legislation, Conventions and Policy****56.7 FAB Link Update**

Planning Process – It was advised by John Young, Planning Officer as to how this application would fit within the Land Use Plan. It was noted that it was decided by BDCC that the area identified could not be accommodated within the first phase but would be considered as part of Phase 2 (which is scheduled for June). It was also noted that this work would be carried out under a new Building and Development Control Committee next year. FAB has advised of timescale issue with the process but had chosen not to participate in the Phase one stage of the LUP. It was noted that if FAB applied today for this matter to be considered for planning purposes the Committee (BDCC) could not consider the application because the specified area falls within the designated area, therefore phase two of the LUP needs to be addressed to enable a change to the designated area to enable development to be carried out; an opportunity to be addressed in the ‘call for sites’ notices. Arup has advised that specific policies for the specified areas should be avoided and generic policies adopted this process could be in position by end of Q2 next year to be able to address the FAB link project; it was noted that this did not fit in with FABlink timeline of March 2017. Meetings to be held in London with ARUP and RPS Consultants to discuss the process in October.

It was noted that the process would require a change to the planning Law, which at present doesn't make allowances for a project of this size. Advice has been sought from Law Officers Chambers and it has been advised that an exemption for this development should not be considered as an option. ARUP has suggested that FABlink should enter into Performance Planning measures similar to those under the previous UK coalition government for renewable projects, it was advised that this had been declined by ARE.

Actions: Written questions be prepared for the ARUP meeting scheduled in October and for ARUP and the Planning Officer to give a précis to the Committee on what proposals they intend to put forwards;

- BDCC to explore further with the Law Officers advice with regards Section 67 of the Building and Development Control (Alderney) Law;**
- Chief Executive to speak to FABLink with regards the cut-off date for approvals;**
- BDCC meeting in October to report on 13th October pre FABlink application meeting and decide whether to progress with an exemption;**
- Special P&F to be convened on this issue if necessary.**

Follow up from States Meeting

- Chief Pleas** Chief Executive advised that following a conversation with the President Mr Tate did not require a formal response to his question; but he would be providing a full response to Nigel Dupont on planning advice from the Law Officers and ARUP. Mark Wordsworth would be responding in full to

the questions raised by Mrs Whittaker. The Chief Executive clarified that the interpretation given at the Peoples meeting was correct and that the advice that Mike Dean had received from ACRE was inaccurate. All answers would be circulated to the States Members and then the individuals would be asked if they are happy for the responses to be published on the Government website.

- It was confirmed that there is no provision within the Law to hold a referendum, there would need to be an amendment to the Government of Alderney Law, an opinion poll at the same time as the election would set a precedent and not recommended at this time.
- It was noted that Mark Wordsworth has offered to chair a public meeting in October which was accepted by the Committee (P&F) as a good idea.
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- **Future Energy Regulation** Chief Executive gave an update on ACRE in light of Mrs Whittakers' questions. The nature of the current commercial agreement with the Commission and the States (as landlord) has become confused and gives the perception of conflict. Chief Executive to investigate further a different model for the future.
- Any change to the existing agreements would also require the States to be content with the financial arrangements agreed between ACRE and ARE.
- Agreed that pending the outcome of a review of ACRE that all Commissioners would move to monthly rolling contracts.

*1245 Meeting paused for lunch, reconvened at 1400
1400 Minute Secretary joined meeting*

54/2016 Budgetary and Financial Matters

54.1 Budget 2017 & Revised Budget 2016 – Update Report - Report from Treasury dated 14th September 2016 tabled and noted.

See Confidential Annexure.

Telecoms – It was noted that this has been moved from Capital to EDR. The Economic Development Officer advised that this could go out to tender to improve the connectivity on the island as an interim measure before the FAB Cables are laid. It was queried whether this was commercially viable for a telecom company, however, this would be for the company to decide.

Swimming Pool – for discussion later on the agenda.

Church Roof – it was noted that this is still an on-going insurance claim and that further capital funding would be required which will appear before the full States for approval in due course.

The Committee noted and approved the comments and amendments within the report, and that the final budget will appear before the States in October.

TREASURY/BILLET

54.2 Connaught Working Party – Verbal Update

It was noted that a Connaught Working Party meeting is scheduled for Thursday 22nd September. The loss of £84k in rental and further maintenance costs will be discussed at the meeting. A further update will be provided at the next meeting. **Noted.**

54.3 Swimming Pool Update

The Chief Executive advised that the Swimming Pool Board has requested an additional funding of £100k to finish the works.

The Committee expressed serious concerns with the inadequate on-site management, and the inadequate funds to complete the project. It was noted that detailed

conditions need to be put in place to achieve completion of the project in a safe and productive manner.

It was noted that due to the amount of funding requested the matter will need to be placed on the Billet for approval as per the financial procedures.

It was noted that the Technical Services Officer has reported on the mechanical and electrical issues. The Treasurer advised that 3 stage payments have been made so far, on production of invoices, with approx £70k left to be paid.

Detailed conditions to be agreed before placing on the Billet including:-

- Proof of their match funding
- Clarification of capital costs remaining
- Clarifications of changes to building resulting in additional operational costs
- Clarification of standard of M&E
- Detailed costings
- Clarification of mitigation measures

The Committee agreed the following:-

- Mr Tugby to carry out a site visit**
- Arrange a meeting with the project board to clarify issues, and put in place conditions**
- Request for detailed information on capital/revenue expenditure**
- In the interim include funding within capital budget pending necessary approvals**

Update at next P&F meeting.

CE/AGENDA ITEM

55/2016 Economic Development Plan - Continued

55.1 Economic Development Plan Update – Economic Development Plan and EDP Reserve tabled and **noted**.

Mr Harvey pointed out that a number of projects were running in excess of agreed budgets, and proposed that all projects for which expenditure was more than 10% over budget should be 'frozen' until a revised Business Case had been put to P&F. This was agreed, though an exception would be made for Administrative Budget as this was largely committed staff costs.

Aurigny MoU – recommendations to Aurigny for 2017, looking at how these can be included. Visitor numbers are suppressed due to lack of capacity. Discussions still to be had regarding finances.

Air Routes – 6 parties have been invited for expressions of interest towards potential Jersey and/or France routes, with the deadline being mid-October. To be discussed further. **Noted**.

York Aviation is on track for submission of their report. Colin Le Ray to attend ALG meeting to discuss the delay to 2019.

The Committee agreed to the additional expenditure for 2016 on the following projects:-

- Administration/Consultancy – noted that this is mainly admin support staff – additional £25k**
- Review of Company Law – Additional £35k with Mr McDowall and Peter Castle to provide a paper for next P&F meeting**
- Aviation Fuel Subsidy – additional £4k (10% of previous vote) (Mr Jean against)**
- Blockchain – noted that expenses for 2016 will transfer to new Company once established**

RM/PC/TREASURY

56/2016 Legislation, Conventions and Policy - Continued

56.1 Addendum to Guernsey Independent Fiscal Report – Report from Robert McDowall dated 23rd August 2016 tabled and noted.

Members discussed that this report cannot be stated as States Policy, as it has not been agreed within the States of Alderney. It was noted that this report had lifted points from Stephen Taylor's report, as discussed in the July P&F meeting. Policy issues should be formally agreed by the States of Alderney. It was agreed for the 'Alderney Policy & Finance Committee' to be deleted from the title of the report. **Noted.**

56.4 Tourist Accommodation – TRP – Report from Matt Birmingham and Economic Development Officer dated 27th July 2016 tabled and noted.

Mr Simonet stated that if TRP should be reduced, then it should be for all sectors, not just one. It was noted that in 2016, there have been 12 new applications, including the Adventurers Rest which accommodates 46 beds.

The Committee approved by majority vote, (Mr Simonet and Mr Tugby against), for Option 1 – TRP reductions in the 2017 Guernsey Budget for the self-catering sector.

PV/MB

1545 PV left meeting

56.2 Sanctions – Report tabled and noted. It was noted that these measures would erode the democracy. The Committee queried who had elected P&R in Guernsey to represent the Bailiwick on this matter.

RESOLVED; unanimous vote to reject all recommendations.

56.3 Fishing Dispute – Report from Robert McDowall dated July 2016 tabled and noted.

56.5 The Regulation of Health Professionals (Medical Practitioners) (Guernsey & Alderney) Regulations, 2016 – For Ratification – Letter from Committee for Health & Social Care dated 27th July 2016 tabled and noted. It was noted that medical practitioners on Alderney will have to pay more in insurances.

The Committee ratified the approval for the Regulation of Health Professionals (Medical Practitioners) (Guernsey & Alderney) Regulations, 2016.

56.6 Data Protection – Report from Robert McDowall dated September 2016 tabled and noted. The Committee agreed that the Chamber of Commerce should be involved in the consultation process.

The Committee approved for the SOA to request the States of Guernsey Home Affairs Department to:

- Advise what the role and cost of the Pan – Island Data Commissioner is in respect of Alderney, and,**
- Requests formal consultation on the GDPR Proposals and its cost and business impact to the impact jurisdiction of Alderney.**

56.8 Governance Review Update – Reports from Andrew McDonald dated 19th September 2016 tabled and noted.

Mrs Paris expressed her concern at the discourtesy to the States shown by the release of the report "Alderney Choices" into the public domain before P and F had had the opportunity to discuss it, and that two further reports on the same subject were only received by email less than 24 hours before the meeting.

Mrs Paris brought Stephen Taylor's 2012 report on governance to the attention of the committee and suggested it should be revisited as many of its recommendations cover the same ground as the UCL Report.

The Committee agreed for P&F to instruct the Chief Executive going forward on this matter, and that all work should be postponed until the Committee had considered the matter further at a subsequent meeting. Some members expressed concern that the information had been passed into the public domain without prior approval by the States Members.

56.9 Company Law Review – Report dated 6th September 2016 tabled and noted. It was reported that final technical adjustments were being made, and would be circulated to all members.

The Committee agreed for the Law Officers to draft the Heads of Agreement.

56.10 Co-operation Agreement with Normandy Region – Co-operation agreement with Normandy tabled and noted. The Committee agreed that agreement should be signed by the Chairman of P&F, as opposed to the President. **Noted.**

57/2016 Any Other Business

Special P&F – Aurigny – meeting arranged for 26th September 2016. Agenda to be circulated once finalised. Mrs Paris sent her apologies. Mr Harvey stated that it would be beneficial to invite John Horton from the Alderney Bird Observatory to join the meeting regarding the effect on tourism.

Mr Jean requested a detailed report on Brexit – breakdown on costings. Treasury to provide costings. **Noted.**

It was noted that the Committee for Employment and Social Security will be in Alderney on 9th November to hold a Public meeting on “longer Working Lives”.

ALG Deputies visit to the island is to be arranged.

The Committee were advised that the shipping costs for the annual Hill Climb events amounted to £17k for 2016.

It was noted that Mr Rowley’s report had been withdrawn, and will be discussed at the next meeting.

Investor Immigration Scheme – on ALG agenda for Friday’s meeting, and co-operation of Boarder Agency in Guernsey.

The Policy and Finance Committee agreed to authorise the Finance Committee to be delegated to act as the investments panel. Amendment to be included on FC mandate.

58/2016 **Press Releases** – none.

59/2016 **For Information**

The following reports/letters were noted:-

- Aged Debtors Report – Confidential Item**
- Aurigny Petition**
- Letter of Thanks – Alderney Rock Trust**
- Bumblebee Performance – May – July 2016**

Meeting closed: 4.40pm

Signed: Mr R McDowall

Date: 25th October 2016