

**FINANCE COMMITTEE
ANNE FRENCH ROOM
4th February 2020
14:15**

**Mr D Earl, Chairman
Mr J Dent
Ms A Burgess
Mr M Dean
Mr C Harris**

**Mr A Muter, Chief Executive
Mrs E A Maurice, Acting Head of Finance (AHoF)
Mrs E O'Toole, Treasury Assistant/Minutes (Treasury)**

**Apologies: Mr S Taylor, Strategic Financial Advisor (SFA); Mr C Brock, Director of Business Development (DBD)
In attendance: Mr K Gentle – item 4.4**

01/2020

Administration

1.1 Appointment of Deputy Chairman Mr Dent was elected as deputy Chair of the Committee.

1.2 Confirmation of Committee Mandate 2020 The Committee noted the resolution by the Policy and Finance Committee at their meeting of the 23rd January 2020 to amend the mandate to increase the membership of the Finance Committee to five members including the Chairman.

The Committee mandate agreed the amended mandate and for it to be referred to the Policy and Finance Committee for further approval.

P&F

02/2020

Matters Arising

2.1 Letters to Banks update copies of letters and correspondence from various banks received in response to the letter from the Chairman sent in November 2019, tabled and discussed.

The Chair advised that positive meetings had been held with Lloyds and Barclays.

The meeting with HSBC had to be cancelled due to adverse weather and now not due to take place until March.

AHoF advised that the CEO of NatWest was unavailable to meet however the Senior Banking Team in Guernsey had delegated authority and the 12th March has been suggested as a date to meet. **Noted**

The CE advised that Lloyds' position on the issues have not changed however they are definitely open for business. Very strong offer to assist businesses and operate a new website which will have more business related issues and very keen to work with the States of Alderney on how to assist with issues in Alderney and will engage with Alderney business through customer forums, and by visiting 3 to 4 times a year.

The specific issue with cannabis related businesses wishing to open an account in Alderney was resolved following the CE advising of all the rules and regulations involved with operating CBD/Cannabis businesses. **Noted**

Ms Burgess updated on a current case whereby the individuals were still having issues opening a business account despite having a financial relationship with the bank for a number of years. **Noted**

The Chairman suggested that the matter is retained on the agenda in order to monitor the situation.

AGENDA ITEM

2.2 Alderney Ambulance Grant 2020 – post meeting decision for ratification

Further to the resolution by the Policy and Finance Committee at their meeting of the 19th December 2019, the Committee agreed to ratify the decision to defer the 2020 grant to the Alderney Ambulance Service.

2.3 Swimming Pool Project – the Chairman advised that he had a brief phone call with Mr Wedd with regards to their current situation. **Noted**

2.4 Audit Fees Mr Dean queried whether the draft the letter from the SFA on behalf of the Chair, with input from the CE, as agreed in December had been circulated to KPMG. The AHoF advised that a copy of the letter was attached to the email response from KMPG forwarded to members on the 18th December 2020, following which a decision was reached on the fees. **Noted**

03/2020

Revenue Account

3.1 Management Accounts Summary – Year-end Accounts Version 4 tabled at the meeting and discussed. The accounts are being run every week until the end of the suspense period and are due to be finalised shortly. Although the underspend is greater than the current budgeted underspend of £72k, there are a number of items that need to be finalised and therefore it was anticipated that the underspend would be less than budgeted. **Noted**
The AHoF advised that there has already been a claim from the Uninsured Events fund set aside earlier this year therefore it is suggested this be “topped up” with £10k to reach the £50k threshold of the fund, prior to close of 2019 books. **Agreed**

TREASURY

3.2 External Audit Contract Paper from the SFA tabled and discussed.

The Committee resolved to:-

- a) Agree the proposed process and timetable for the tendering exercise for the external audit services from 2020 year of audit; and
- b) The Chair and Mr Dent to work with the States Treasury on the evaluation of the Pre-Qualification Questionnaire (PQQ) and Invitation to Tender document (ITT)

CHAIR/JD/TREASURY

04/2020

Capital Account

4.1 Notice of Offer – Confidential Item – see confidential annexure

4.2 Financial Update – Ongoing Capital Projects Management Accounts (Version 4) for Capital income and expenditure as at 31st December 2019 and tabled and noted.

The AHoF advised that the underspend on Capital programme is mainly due to delays of approval by Policy & Resources on the purchase of the Crane and the delays relating to Connaught Extension Phase 2, however it should be noted that more projects have been approved in 2019 when compared with previous year. **Noted**

The CE advised that the recent issues with regards to the Crane purchase and the 3 month delay by Policy & Resources, highlights the issues faced by the States of Alderney with regards to Capital spending. **Noted**

The Committee agreed for the CE to draft proposed changes to the financial process between the States of Alderney and the States of Guernsey in regard to States of Alderney Capital Expenditure.

CE

4.3 AGCC – Q4 distribution 2019 (as previously circulated by email) tabled and **noted**.

1500pm – Mr Gentle joined the meeting

4.4 Connaught Extension Phase 2 – update from Project Board Mr Gentle advised that Phase 1, the loft conversion, is nearly complete with final inspections due to take place shortly. The Project had incurred extra costs due to electrical works required. The preferred electrician was unavailable to carry out the works and no other on island contractors could undertake the works therefore a Guernsey contractor had been used. The solar panels are now being purchased by the Connaught rather than the States in order to offset these costs. **Noted**

Phase 2 will cost £400k with 3 tenders being received for the works. The preferred bidder is a Guernsey company with experience of building works on the island having worked on the hospital most recently. Their tender came in at £365k and the additional amount will be for condition report & surveys, extra insurance which is a requirement (one-off fee), electricity mains installation, traffic works, lightning conductors, and a minor contingency.

Guernsey Procurement and Policy & Resources have been kept informed of the project and costs throughout by the Programme Manager. Overall costs of the extension is now likely to be £1,8m for 13 completed rooms. **Noted**

Mr Dean queried that as there is a wall that required to be knocked down and then reinstated, from recollection of the plans in Phase 3 there will be a gate being installed on that wall therefore this could be incorporated during Phase 2 which may result in a cost saving.

The AHoF advised that a firm commitment from the States of Alderney and Policy & Resources would be required for Phase 2 & Phase 3 works at this stage as they formed part of the same overall project, rather than being stand-alone projects. **Noted**

The Committee resolved to recommend to the Policy and Finance Committee to approve £400k for Phase 2 of the Connaught Extension and stated that the Committee remain supportive of the overall Connaught extension project.

TREASURY/ P&F

1520pm – Mr Gentle left meeting

05/2020 **Delegated Items – Grants**

5.1 Grant Request – Alderney Golf Club Grant Application with supporting documentation and recommendation from Treasury tabled and considered. Noted that the application was deferred from the previous meeting with further financial information required prior to the application being considered.

Mr Dean had queried at the previous meeting whether it could be reviewed in conjunction with pesticides used/held by the Agricultural Department, and this will be queried with the Agricultural team leader. The Treasury Assistant to provide information once known.

TREASURY

The CE advised that this is a large parcel of Sates land and the Club is wanting to promote more environmentally friendly methods of land management. **Noted**

The Committee agreed to approve a one-off grant of £4k from the 2019 Environmental Grants budget to the Alderney Golf Club to implement a new initiative for management of perennial infestations of the greens/ fairways by using chemical free soil treatment methods.

TREASURY

The Milk Vending venture was discussed and Le Cocq's Stores involvement following the Plastic Free workshop held recently. The AHoF and Ms Burgess to address the issue with the Programme Manager.

AHoF

5.2 Summary of Grants 2019 tabled and noted.

5.3 Alderney Library Grant 2020 – update following meeting The Chair gave a brief verbal update following a meeting between himself, Mr Dent and the AHoF held with a representatives of the Alderney Library on the 3rd February 2020 to discuss their annual application for a grant and requirement for an increase. The Committee had agreed at the December 2019 meeting that due to the reserves held by the Library, their application did not provide adequate evidence of requirement for a grant.

Mrs Jane Page, representative from the Library, had been advised on the Committees position however is requesting a contribution towards running costs in light of a perceived historic arrangement with the States.

Members although supportive of assisting the community wherever needed, were concerned that the application did not fit with the new standard criteria for grant aid and sought additional information on the long term sustainability of their business operation. However, it was noted that the Library reserves had been accumulated as part of the fund-raising for the building and were being held for future capital investment and building maintenance.

The Committee agreed to approve a one-off grant of £2k to the Alderney Library on the basis of the following conditions:-

- i) that this would be the final contribution by the States to running costs;**
- ii) that the Library Committee is asked to prepare a business plan to demonstrate its long term sustainability, and**
- iii) the Library Committee is asked to consider how its engagement with the community can be increased, in particular its involvement with young people and the School.**

TREASURY

06/2020 Economic Development Reserve

6.1 EDR Summary & Report on Projects (expenditure to date) Summary as at 31st December 2019 (Version 4) tabled and discussed.

Two projects are currently overspent and will be considered at the next P&F meeting for approval of the overspend and additional funding needed. **Noted**
The Chair to meet with the AHoF to discuss the ongoing projects.

CHAIR/AHoF

07/2020 Delegated Items – Coins

7.1 Coin Issues – Ratification of email approvals – see confidential annexure.

The AHoF advised that the royalties for 2019 have exceeded the minimum amount guaranteed by the Commonwealth Mint. **Noted**

08/2020 Delegated Items – Stamps

8.1 Stamp Issue for noting – see confidential annexure.

09/2020 AOB

10/2020 Agreed messages for other Committees Referrals to Policy & Finance Committee and/or General Services Committee to be determined.

TREASURY

11/2020

For information & noting

- Minutes & confidential annexure from 2nd December 2019
- Conge, Leasehold & Transfer Duty 2019 (final) & Price Paid Data Q4
- Year End Timetable

Meeting closed: 16:15pm

Signed: Mr D Earl

Date: 5th February 2020