

FINANCE COMMITTEE
ANNE FRENCH ROOM
13th September 2021
14:30

Mr C Harris, Chairman
Mr B Abel
Ms A Burgess
Mr I Carter
Mr K Gentle

Ms K Jones, Chief Executive (CE)
Mrs E A Maurice, Head of Finance/ Treasurer (HOF)
Mrs E O'Toole, Finance Manager/Minutes (FM/Treasury)
via MS Teams

In attendance: Mr S Taylor, Strategic Financial Advisor (SFA) via MS Teams;
Mrs K A Hatcher-Gaudion, Capital Projects Coordinator (CPC), Items 39 & 40

39/2021 **States of Alderney – Capital Programme – Revised Budget 2021 & Budget 2022** – see confidential annexure.

40/2021 **Water Board – Capital Programme – Revised Budget 2021 & Budget 2022** – see confidential annexure.

15:05 – The CPC left the meeting

41/2021 **Budget Strategy for key Income Streams 2022** – see confidential annexure.

42/2021 **Reserves Strategy and Policy** – see confidential annexure.

43/2021 **Budget and Reorganisation** – see confidential annexure.

44/2021 **States of Alderney – Revenue – Revised Budget 2021 & Budget 2022** – see confidential annexure.

45/2021 **Water Board – Revenue – Revised Budget 2021 & Budget 2022** – see confidential annexure.

46/2021 **Alderney eGambling Ltd (AeGL) – Budget request 2022** – see confidential annexure.

47/2021 **Matters Arising**

47.1 Minutes & Confidential annexure from 12th July 2021 and minutes of the special meeting held on the 18th August 2021 tabled and confirmed.

47.2 Treasury FAQ briefing – Accounts, Cash Flow & Reserve as circulated following the July meeting, was tabled and **noted**.

48/2021 **Capital Account**

48.1 Alderney Electricity Limited (AEL) – Historic investment Report tabled and discussed.

Mr Gentle declared an interest and abstained from the vote as the States Appointed Director. **Noted**

The SFA advised that in 2015, the States agreed to support AEL with funding of £1.2m in order to accelerate the capital programme in respect of improvements to the distribution grid. At the time, reports to PFC and the States concluded that historic under investment had resulted in a fragile infrastructure and the longer-term investment plan was considered a risk. At its meeting November 2015, a States contribution of £1.2m over 3 years was agreed on the basis of a 'sale and leaseback' arrangement.

Earlier this year the Managing Director of AEL contacted the States to advise that there appears to be no evidence that the Chief Executive of the States of Alderney, in conjunction with the legal advisers of the States of Alderney, had agreed and sign the Heads of Terms of Agreement and associated contracts. And, in conjunction with the legal advisers of the States of Alderney, agreed and signed a fully repairing lease on transfer of the assets.

The Capital contribution was made but it is disclosed in the AEL accounts as an outstanding liability to be repaid on demand with no further clarity. The AEL auditors have therefore recommended that this is now regularised. As the States writes down all capital in the year of account and does not prepare a recognised balance sheet, there is no corresponding asset or debtor shown in the States accounts.

The AEL board have now considered options to regularise the issue and wishes to do so before the end of this year. **Noted**

The Committee by majority, Mr Gentle abstained, agreed to:-

- a) **Note the current situation and take steps to agree the pathway for regularising this issue in 2021; and**
- b) **Invite the AEL Managing Director to the next Policy and Finance Committee to discuss the options.**

TREASURY/SFA/PFC

49/2021

Delegated Items – Grants

49.1 Grant Request – Alderney Mind – for ratification

Further to Committee consideration by email in August 2021, the Committee agreed to ratify their decision to:-

- a) **Agree to the funding request for the existing counselling service at a cost of £14,000.**
- b) **Request a more detailed business case for the psychotherapy element of the grant request. To include an outline of alternative provision currently available for residents in need of support;**
- c) **Advise Guernsey MIND of the need for an annual funding request based on a business case, rather than agreement to continuing support; and**
- d) **Refer the matter to Policy and Finance Committee to consider the need to develop a strategy for mental health provision in liaison with the States of Guernsey Health and Social Care Committee.**

TREASURY/PFC

49.2 Grant Request – Alderney Bird Observatory (ABO) Report from Treasury, grant application and supporting documentation tabled and considered.

The Committee discussed the apparent lack of local fundraising, such as jumble sales etc. by the ABO and raised concern that the grant will be to fund the salary of the Bird Warden, a position that was made redundant by the States earlier this year. Of further concern is tangible income from other sources as currently grant support from the States would be the only income for the ABO.

The Committee also noted that previous requests for clarity of what the future plans of the ABO are and future funding mechanisms besides grants from the States, have yet to be supplied. **Noted**

The Committee, Mr Carter abstained, did not agree to award of a grant of £10,000 based on the current application submitted.

TREASURY

50/2021 **Delegated Items – Coins**
50.2 Notification of upcoming issue – see confidential annexure.

51/2021 **Delegated Items – Stamps**
51.1 Stamp Issue for noting – see confidential annexure.

52/2021 **AOB**
52.1 Staff numbers Mr Abel requested a report showing the number of staff currently employed by the States of Alderney and Water Board, categorised by full time, part time and seasonal/ staff bank. Treasury to draft and circulate to the Committee.

TREASURY

Meeting closed: 17:20pm

Signed: Mr C Harris, Chairman

Date: 15th November 2021