

**FINANCE COMMITTEE
ANNE FRENCH ROOM
12th July 2022
14:30**

Mr I Carter, Acting Chair
Mr B Abel
Mr K Gentle

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

Apologies: Ms A Burgess; Mr C Harris
In attendance: Mr S Taylor, Strategic Financial Advisor (SFA) via MS Teams
Ms L Elward & Ms S Cronin, Commonwealth Mint via MS Teams (item 36.1)
Mr D Llewellyn, Strategic Adviser (item 38.2)

36/2022 Delegated Items – Coins
36.1 Commemorative Coin Contract 2023-2028 – see confidential annexure.

37/2022 Matters Arising
37.1 Minutes & confidential annexure from the meeting held on the 16th May 2022 & minutes of the special meeting held on the 10th June 2022 tabled and confirmed.

37.2 Sewerage Law Noted that the Capital Projects Coordinator is in discussion with the Law Officers Chambers following the Committees resolution to recommend to the Policy and Finance Committee (PFC) the repealing of the Sewerage (Alderney) Law in its entirety. A number of queries have been raised due to the associated legislation. Further updates will follow in due course. **Noted**

TREASURY/ AGENDA

37.3 Planning Complaint – see confidential annexure.

37.4 Income Support Noted that this was superseded by discussions at the Policy and Finance Committee meeting in May. **Noted**

37.5 Banquage Freeholds – see confidential annexure.

37.6 Crane Failure 2020 – see confidential annexure.

37.7 Bank Closure - For information Paper for the Head of Finance tabled and discussed.

The Committee noted the approach to addressing the operational challenges caused by the closure of Lloyds and requested that further updates are provided by Treasury once they are available.

FUTURE UPDATES/ TREASURY

38/2022 Revenue Account
38.1 Budget Strategy and Principles 2023 – see confidential annexure.

16:15 D Llewellyn joined the meeting
38.2 Ambulance Service Review – see confidential annexure.

38.3 Management Accounts Summary - June 2022 as circulated by email tabled and noted.

The HOF advised that meetings are being held with Budget holders this week to building on the previous projected year-end estimated costs and to feed into the Revised Budget 2022. **Noted**

Any specific queries to be sent by email to the HOF/ FM for further clarification.

38.4 Major Income Monitoring Report as at 30th June 2022 tabled and noted. The HOF advised that there has been a delay with paying over Fuel Duty as only showing 2 months of income thus far however this has been addressed. **Noted**

39/2022

Capital & Reserves

39.1 Capital Reinvestment Policy Paper from SFA tabled and considered. The Policy and Finance Committee (PFC) at its meeting on 23rd May 2022 agreed to introduce a Capital Reinvestment Policy. This policy commits the States to reinvest capital receipts from sales of property assets into alternative property assets at some point in the future in order to maintain a balanced and relevant portfolio of public property.

With the agreement of the States of Guernsey over a number of years, most of the States Capital programme is currently met from the contribution received from the profits generated by the Alderney Gambling Control Commission (AGCC). As well as this income, Capital receipts are periodically earned by disposal of States assets.

Because the agreement with the States of Guernsey to apply AGCC receipts was originally based on need and lack of Capital income generated in Alderney, it follows that the hierarchy of use of capital receipts must always start with income generated from sales of States of Alderney assets. This means that any locally generated income should be applied immediately to the next capital expenditure items. It would therefore not be appropriate to set these sums aside and continue to use AGCC income as this would conflict with the needs-based agreement.

PFC and General Services Committee (GSC) periodically consider the need to retain certain States owned properties and, in some cases, a compelling case for disposal could be made if it were possible to reinvest the capital receipt into an alternative property or properties. The current capital financing arrangements prevent ring fencing in this way.

In order to achieve the policy aims, from the date of this policy, the following process will be followed:

1. Property identified by a lead committee as being appropriate for disposal,
2. Property disposed of by most appropriate means and in accordance with States procedures at the time,
3. States Treasury will maintain a record of all capital receipts derived from the sale of States property.
4. States Members will be advised of the accumulated total capital receipts on an annual basis as part of the capital programme and prioritisation process.
5. Potential property acquisitions or investment will be determined based on need and subject to development of a proper business case in line with States processes to demonstrate best value in use of public funds.
6. Subject to compliance with proper States process, property investment will be included in the capital programme.
7. States Treasury will maintain a memorandum account of all investment over time to demonstrate that an equivalent sum from any property sales has been invested in replacement property assets. This will be provided to States Members as indicated in 4 above.

The Committee agreed to recommend the Policy and Finance Committee to agree the Capital Reinvestment Policy which commits the States to reinvest capital receipts from sales of property assets into alternative property assets at some point in the future in order to maintain a balanced and relevant portfolio of public property.

TREASURY/ SFA/ REFERRAL TO PFC

40/2022 Delegated Items – Grants

40.1 Summary of Grants 2022 to date tabled and noted.

41/2022 Economic Development Reserve

41.1 EDR Summary & Projects update - June 2022 as circulated by email and noted. It was noted that the fund has been updated following consideration and approval of a paper from the HOF to the June PFC meeting. **Noted**

Any specific queries to be sent by email to the HOF/ FM for further clarification.

42/2022 Leases & Contracts

42.1 Saye Farm Lease - Referral from GSC Report from the Chief Executive's office tabled and considered.

The Committee agreed to seek professional advice on an appropriate land rental amount for a 10-year lease.

TREASURY/ HOF

42.2 Trinity House Store Lease - Referral from GSC Report from the Chief Executive's office tabled and considered.

The Committee agreed for the rent to be increased by March 2022 RPIX for a new annual lease.

TREASURY/CE OFFICE

42.3 Lower School House - New Lease - Referral from GSC Report from the Chief Executive's office tabled and considered. The Committee noted that the Law Officers are reviewing the draft lease for future tenancies and the HOF advised that through enquiries made, the current rental figure appears to be slightly below the current rental market. **Noted**

The Committee agreed for the HOF to make enquiries through the local Estate Agents for an appropriate rental figure for this property.

TREASURY/ HOF

42.4 Bunker 52, Les Quatre Vents - New Lease - Referral from GSC Report from the Chief Executive's office tabled and considered.

The Committee agreed a further 10-year lease to be increased by 10-year RPIX.

TREASURY/CE OFFICE

42.5 Gravel Works, Platte Saline Lease - Referral from GSC Report from the Chief Executive's office tabled and considered.

The Committee agreed:-

- a) Rent to be increased by March 2022 RPIX with similar terms and conditions as the existing licence, wef 1st July 2022; and
- b) The new 1-year licence to be increased by RPIX for royalty charge rate, by March 2022 index.

TREASURY/ CE OFFICE

42.6 St Anne's House Lease - Referral from GSC Report from the Chief Executive's office tabled and considered.

The Committee agreed for the HOF to make enquiries through the local Estate Agents for an appropriate rental figure for this property.

43/2022

AOB

43.1 Capital reporting The HOF advised that she has requested from the Capital Projects Coordinator and Programme Manager periodic reports as an update on capital projects which would include the capital program list marked as red, amber, green along with brief commentary providing details of anything of significance. **Noted and would become a standing item on future FC agendas.**

AGENDA ITEM

44/2022

For information & noting

- Price Paid Data Q2 2022
- Budget 2023 & Revised Budget - Timetable

Meeting closed: 17:05pm

Signed: Mr C Harris, Chairman

Date: 15th September 2022