

POLICY AND FINANCE COMMITTEE MEETING

Anne French Room
12th December 2022
0900 hours

PRESENT:

Mr I Carter, Chairman
Mr K Gentle (left 0951 joined 1210)
Mr B Kelly
Ms A Burgess
Mr C Harris
Mr W Abel
Mr A Snowdon (joined 0915 left 1016)
Mr S Roberts (joined 0925 left 1016)
Mrs L Maurice

IN ATTENDANCE:

Mrs E Maurice, Head of Finance
Mrs L Baines, Committee Secretary
Mrs S Pengilley-Price, Head of Govt Support (HoGS)
Mr Stephen Taylor, Strategic Financial Advisor (SFA) (via Teams)
Mr P Veron, Strategic Advisor (SA-PV) (for item 3 only)
Mr J Laband, Project Support Officer (PSO-JL)
Mr R Coppolo, Chief Operations Officer & Mr C Le Ray, Managing Director (SoG) (for item 3.1 only via Teams)
Mr D Llewellyn, Strategic Advisor (SA -DL) (for Items 5.2 – 5.4 only)

Apologies: Mr G McKinley
Observers: Mr N Vooght; Mr B Woodhead

Declarations of Interest: Nil

AGENDA ITEM

ACTION

PART 1

- 01/12/2022** **Minutes and Matters Arising**
- 1.1 Policy and Finance Decision Progress Log – November Open Meeting** – tabled and approved.
- 1.2 Policy and Finance Decision Progress Log – November Closed Meeting** – tabled and approved.
- 1.3 Minutes from previous meeting – Open - for approval – 21st November 2022**– tabled and approved.
- 1.4 Minutes from previous meeting – Closed - for approval – 21st November 2022**– tabled and approved.
Addition to be made to 8.1 to include loss of pontoon berth in winter, and that a discussion with fisherman is being addressed by the Harbour Office.
- 1.5 Matters Arising – Unless Tabled as an Agenda Item**
None.

02/12/2022 **Administrative Matters**

2.1 External Relations Update (Bailiwick Council/ALG/MOJ/Normandie)

MoJ – meeting of the Crown Dependencies Network in Guernsey discussed key areas regarding appropriate level/type of housing; and encouraging the public to vote. Both of these areas resonated across all of the Crown Dependencies and solutions were being sought and shared to mitigate the issues which impact on the Crown Dependency communities.

2.2 Finance (Grants & Subsidies)

2.2.1 Appointment of Investment Advisor – SEE CONFIDENTIAL ANNEXURE

2.2.2 Grant Application Alderney Island Games Association – SEE CONFIDENTIAL ANNEXURE

2.2.3 SoA Management Accounts Summary – November 2022 – FOR NOTING –

Report tabled and **noted**.

The Committee noted a verbal update provided by the Head of Finance. Treasury are continuing meetings with budget holders, and the end of year preliminary accounts will be finalised in the coming weeks. It was noted that it is hoped to slightly exceed the revised positive budget figure for 2022.

2.2.4 Economic Development Reserve Fund – November 2022 – FOR NOTING –

Report tabled and **noted**.

The Head of Finance highlighted that there was no movement of note and that underspend on the budget would be carried over to the 2023 allocation.

It was queried what the marine transport expenditure had been for 2022 – this to be clarified by HoF. **Noted**.

Mr Snowdon joined meeting 0915

Mr Roberts joined meeting 0925

Strategic Adviser Paul Veron joined meeting 0930

Ross Coppolo, Chief Operations Officer & Colin Le Ray, Managing Director (SoG) joined meeting via Teams 0930

03/12/2022 **External Transport, Economy and Renewable Energy**

3.1. Air Transport – verbal update – SEE CONFIDENTIAL ANNEXURE

Mr Gentle left meeting 0951

Ross Coppolo & Colin Le Ray left meeting 1016

Mr Snowdon & Mr Roberts left the meeting 1016

3.2. Seasonal Ferry Service – Expressions of Interest – Report from Project Support Officer dated 7th December 2022 tabled and considered.

The Economic Development Committee held a meeting on 7th December, where it resolved to submit the item to the Policy and Finance Committee for discussion where further information could be provided as opposed to providing a recommendation to commence the tender process.

The Policy and Finance Committee resolved to commence a tender process for a 12 and under seater seasonal ferry service for 2023, with an option to extend to 2024, subject to review by both parties.

Strategic Adviser Paul Veron left meeting 1026

04/12/2022 Legislation, Conventions & Policy

4.1 Guernsey Tax review 2023 Update – Report from Chairman dated 5th December 2022 tabled and considered.

It was noted that the formal policy letter has yet to be published, however, to enable the Alderney Representatives in the States of Deliberation to have a sense of P&F's position on the key issues, the latest briefing from Guernsey Treasury and also an independent assessment from The Guernsey Policy & Economic Group (GPEG) have been presented to members.

The Committee were provided with a suite of documents which represent the information collated over the past 18 months regarding the Tax review. Mr Carter provided an overview of the main points of the review and suggested that the Committee provides some guidance to the Alderney Representatives on the proposals from Alderney's perspective and how they will impact the community, particularly in relation to GST, Income Tax reform, Corporate Tax reform, Spending Controls and Social Security reform. The combination of which are being assessed to address the deficit.

It was noted that;

- GST is being applied to essentials such as fuel and food – these items cost more in Alderney, than they do in Guernsey, therefore it may be appropriate to steer towards these goods being exempt.
- Alderney's median earnings are lower than Guernsey's, therefore there will be members of the Alderney community that benefit more as a result of the proposals.
- There is a reduction of income tax from 20% to 15% on the first £30,000 earned. This acts as a further benefit to those individuals on lower incomes. It is possible that greater tax percentages on higher incomes may be discussed in the States of Deliberation.
- Corporate Tax reform may be detrimental to the Bailiwick as some corporate bodies may choose to relocate given the increase in rates. However, it may not be as applicable in Alderney as it is in Guernsey
- Spending controls relate to the Government spending i.e. in relation to the Civil Service which is paid for from the public purse and the impact may have on Capital expenditure/ Programmes. It was noted that Alderney's capital budget is generated from the surpluses of the AGCC which would be exempt from GST, as is the Finance industry and housing. But any effect on spending controls which could have a negative impact on those surpluses, would be directly affecting the islands Healthcare services which is a key area and the one that holds the most demand on the SOA budget.

It was suggested that given the number of benefits that the Alderney community would receive in the event of the proposals being passed, that the position of the Alderney Representatives should be to be aligned with the current proposals.

The Policy and Finance Committee resolved to note the reports on the Tax Review and the thoughts of the Members in relation to it.

4.2 Human Rights Reform – FOR RATIFICATION – Report from Chief Executive Office dated 5th December 2022 tabled and noted.

In March 2022, the consultation was undertaken by the UK Government regarding proposals to reform the UK's Human Rights Act 1998 closed. In June 2022, the UK Government published the Bill of Rights Bill. This Bill was subsequently put on hold as a result of Ministerial changes in the UK Government. External Relations Officers now understand that the UK Government intends for the Bill to proceed passage to a second reading in its original form "when Parliamentary time allows".

Members were contacted via email on 29th November to confirm States of Alderney support for this approach. The Deputy Chief Executive did not receive any dissent from members regarding the recommendation.

The Policy and Finance Committee resolved to ratify, to agree to send a letter to the Lord Chancellor formally setting out the Bailiwick's position regarding the Bill of Rights and, in particular, regarding clauses 25 and 26.

Clause 25 of the Bill introduces a new statutory duty on the Secretary of State to notify the Westminster Parliament of any failure to comply with the Convention, which will now apply to any adverse judgements relating to the Crown Dependencies.

Clause 26 of the Bill confers power to amend legislation (including primary legislation) by regulations made by a Minister of the Crown in certain circumstances where it has been declared under the Bill or found by the European Court of Human Rights to be incompatible with a Convention right. The definition of "primary legislation" in the Bill is effectively the same as the definition of that term in the Human Rights Act 1998 and includes Orders in Council made in exercise of the Royal Prerogative.

4.3 World Trade Organization (WTO) Joint Initiative on Services Domestic Regulation – FOR RATIFICATION – Report from Chief Executive Office dated 5th December 2022 tabled and noted.

The Department for International Trade ('DIT') has informed States of Guernsey officers in writing, at short notice, of the UK's intention to participate in the World Trade Organization's (WTO) Joint Initiative on Services Domestic Regulation ('the JI'). Appendix 1 and 2.

It was recommended that the Committee approve the recommendation of giving consent for the UK to notify the World Trade Organization ('WTO') that the Bailiwick can be included within the scope of consequential changes to the UK's WTO membership.

Members were contacted via email on 30th November to confirm the States of Alderney position. The Deputy Chief Executive did not receive any dissent from members regarding the recommendations.

The Policy and Finance Committee resolved to ratify the following:

- **Not to object that the Joint Initiative on Services Domestic Regulation will apply to the Bailiwick of Guernsey as part of the UK's Membership of the WTO and agree for the States of Guernsey to notify the UK Government accordingly, through official channels.**
- **Agree for the States of Guernsey to confirm to the UK Government that the Bailiwick of Guernsey will be compliant and does not face any obstacles if the disciplines in the Joint Initiative on Services Domestic Regulation were to be incorporated into the UK's GATS schedule; and,**

- **Agree that the UK has the consent of the Bailiwick of Guernsey to include the Bailiwicks participation of the proposed amendments to the UK's GATS schedule for certification at the WTO.**

4.4 Amendment to the Regency Act 1937 – Verbal Update

Amendments to the Regency Act, Royal Assent and Councillors of State – The Committee received a verbal update from the Project Support Officer on this item. It was noted that there are three segments to a potential single policy letter which the SoA may receive from officers for the Policy & Resources Committee initially in draft for consideration and approval with the anticipated date for submission by the end of quarter 1 of 2023 in relation to Royal Assent.

- 1) The changing of the process for Royal Assent which would allow the approval of certain Projets de Loi (as will be defined in an Order in Council) to be granted by His Excellency, the Lieutenant Governor.
- 2) The appointment of additional Counsellors of State – allowing the Princess Royal and HRH The Earl of Wessex to act on behalf of the Sovereign as required.
- 3) The consolidation of the 1952 and 2011 orders and the modernisation of the same, and for those orders to continue in perpetuity so there is no need to remake those orders in the event of the death of the current monarch and his successors. This Order in Council has now been made and will be explained in the Policy Letter.

The Committee were advised that it is anticipated that these would form one policy letter, however number 3 may be a separate policy letter, depending on the requirements and timescales involved.

The Policy & Finance noted the current work being undertaken by St James' Chambers and the current position of the Bailiwick.

4.5 Declarations of Interest Update – Report from Project Support Officer dated 12th December 2022 tabled and considered.

The Committee noted that the finalised versions of the documents reflect the changes suggested to the declaring of interests.

It was clarified that all Members will be required, subject to the proposed changes being approved by the States of Alderney, to declare their interests in line with the guidance from 3 years prior to January 1st 2023 i.e. from January 1st 2020.

The Policy & Finance Committee resolved to agree the revised versions of the Code of Conduct and the States of Alderney Rules of Procedure, and to submit those documents to the States of Alderney Billet for formal approval.

Proposer: Mr I Carter

Seconder: Mrs L Maurice

HoGS/BILLET ITEM

4.6 Draft Rules of Procedure for States Committees - Report from Project Support Officer dated 2nd December 2022 tabled and considered.

It was advised that to enable the trial of open meetings which commenced in June of 2022, the Rules of Procedure for States Committees required amendments to include protocols for the open and closed sections of those meetings. Following the conclusion of that trial, it was noted at the November meeting of the Policy and Finance

Committee that the Rules of Procedure for States Committees would need to revert to what the rules stated prior to the commencement of that trial.

The Policy & Finance Committee resolved;

- i. **to agree in principle the proposed wording in the draft Rules of Procedure for the States Committees, amending number 6 to 3 working days before the meeting for agenda distribution;**
- ii. **for the document to be sent to Law Officers for final assessment;**
- iii. **that once finalised, to submit The Rules of Procedure for the States Committees to the Billet for a future States meeting; and**
- iv. **for the interim period, revert to approved Rules of Procedure from March 2022.**

Proposer: Mr I Carter

Seconder: Mr W Abel

HoGS/BILLET ITEM

4.7 Consultation – Firms of Accountants Auditors Insolvency Practitioners and Tax Advisers – FOR NOTING – Report from Chief Executive Office dated 7th December 2022 tabled and noted.

The Committee were advised that the policy letter was tabled at the June P&F meeting for members' information.

The consultation letter and legislation has now gone out to all relevant accountants, and the responses from this consultation have not yet been received.

The proposed anti-criminality framework is a matter of government policy, not least because legislation is required and as it is important to the evaluation in 2024 by MoneyVal of the Bailiwick's compliance with the international AML/CFT standards of the FATF. The evaluation will be of an intensity not seen in other evaluations and the potential consequences of doing badly are significantly negative.

The Head of Government Support provided a further verbal update on the matter.

The Policy and Finance Committee resolved to note the update.

4.8 The Public Holidays (Coronation of HM King Charles III) (Alderney) Ordinance 2023 - Draft Ordinance tabled and considered. The Committee noted that a public holiday to mark the Coronation of His Majesty King Charles III is proposed for 8th May 2023.

The Policy and Finance Committee resolved to approve The Public Holidays (Coronation of His Majesty King Charles III) (Alderney) Ordinance 2023.

Proposer: Mr I Carter

Seconder: Mr W Abel

BILLET ITEM

James Lancaster joined meeting via Teams 1129

4.9 AEL Electricity Price Cap Ordinance – SEE CONFIDENTIAL ANNEXURE

James Lancaster left meeting 1155

05/12/2022 Items for Development/Discussion

5.1. Island Plan Review 2022 – Report from Chairman dated 5th December 2022 tabled and considered.

The Committee noted that progress has been demonstrated in some areas but has not occurred in others. This has been due to a combination of having to react to immediate issues which has reduced the number of resources available for longer term projects and a lack of focus in prioritising those resources that are available.

Given the document is a living document it needs to be revisited to undertake a further prioritising process to ensure that those areas that are deemed to be of highest priority are focussed on and positive outcomes are achieved in the New Year with the new States Members.

The committee were advised that the Single Use Plastics Legislation is currently with the Law Officers, and it was noted that vehicle numbers on the island is in need of review. A planning meeting is to be arranged for the New Year.

The Policy and Finance Committee resolved to:

1. Note that the review document is for comment and noting; and
2. For the plan to be revised in the light of this review early in 2023.

IC

Strategic Adviser Derek Llewellyn joined meeting 1210

Mr Gentle re-joined the meeting 1210

5.2. Healthcare Update – Ambulance Funding – SEE CONFIDENTIAL ANNEXURE

5.3 Use of Nunnery Update – SEE CONFIDENTIAL ANNEXURE

5.4 Reciprocal Health Agreement – Report from Strategic Adviser dated 12th December 2022 tabled and considered.

The agreement of the Bilateral Arrangements is required today, 12th December 2022 and as such, a letter has been drafted in response to the request for written agreement for circulation to Deputy Ferbrache immediately following the Committee's approval.

The Policy and Finance Committee resolved to confirm its agreement via letter to the bilateral arrangement between Guernsey and Alderney and the terms outlined in the letter dated 6th December 2022 from Deputy Ferbrache.

SA-DL

Strategic Adviser Derek Llewellyn left meeting 1243

06/12/2022 **Items for Future Billet Submission**

- **By Election 2023**
- **Regency Act 1937**
- **Committee Rules of Procedure**
- **Declarations of Interest**
- **The Public Holidays (Coronation of HM King Charles III) (Alderney) Ordinance 2023**

07/12/2022 **Any Other Business - For Information & Noting**

7.1 P&F Annual Report 2022 – FOR INFORMATION – Report from P&F Chairman dated 29th November 2022 tabled and **noted**.

7.2 Committee Meeting Dates 2023 – FOR INFORMATION – tabled and **noted**.

7.3 Pension Scheme Trustees Meeting Minutes – 5th October 2022 – FOR INFORMATION – minutes tabled and **noted**.

The Strategic Financial Adviser provided a verbal update on the trustees. Gower have given names for advisers, which will be for the Trustees to approve. It was noted that they could fulfil a dual role. **Noted**.

7.4 Minimum Wage

The Committee clarified that it is just the Guernsey minimum wage figure that they are wanting to introduce for Alderney.

Mr Gentle stated that he has raised this issue for the last 3 and half years and it has not been progressed.

The Project Support Officer advised that he was meeting with Law Officers on 13th December to discuss the way forward.

AGENDA ITEM

7.5 Committee Appointments

The Committee agreed to meet on 4th January 2023 in the Anne French Room at 10am to discuss committee appointments.

Ms Burgess and Mr Carter thanked both members and civil service staff for their support throughout the year.

PART 2

08/12/2022 **Exception Reporting & Questions by Members**

8.1 General Services Committee

Nothing further to report.

8.2 BDCC

It was advised that a Policy Meeting is scheduled for 20th December 2022.

8.3 Finance Committee

Nothing further to report.

8.4 Economic Development Committee

It was noted that a meeting was held 7th December.

8.5 Good Governance Group

It was advised that the Policy letter has been sent to HMP for comments and is aiming to be placed on the March Billet for approval. The consultation period to be finalised with the Connaught and School.

A presentation is to be organised for new States Members and the By Election seat holder once filled.

8.6 Energy Group

It was advised that ongoing meetings are being had with AEL regarding renewables.

8.7 Island Plan Group

It was noted that a forward planning meeting is to be arranged in the New Year.

8.8 Housing Group

It was noted that the meeting with the school regarding the building plot had gone well and has been passed to AHA for progression. It was advised that the school are happy with the new site for the garden.

09/12/2022

Reporting by Representatives

9.1 Alderney Representatives for States of Guernsey - Update

As per update for item 3.

9.2 AeGL Update

It was noted that the board meeting was last week where the new AGCC CEO was introduced. The Committee were advised that a further meeting is required with the AGCC CEO to discuss specific issues which are on the horizon.

9.3 AEL Update

It was noted that the board meeting was held on 29th November. Revision of Company Law was discussed. Fuel boat discharged on 11th December. It was advised that Sharpes Farm substation should be completed by April 2023, and solar installation training for on-island operatives is planned for February 2023.

9.4 AHA Update

It was advised that there had been a visit from the new CEO of GHA to the AHA board – she was keen to maintain good working relationships. Steve Williams thanked the States on his departure from the GHA.

9.5 Connaught Liaison Update

It was noted that board meetings are held quarterly.

9.6 Alderney Care Board

It was noted that these meetings will be held via teams going forwards.

10/12/2022 **Resolutions Made**

Meeting closed: 1307

Signed: Ian Carter

Date: 14th December 2022