

POLICY & FINANCE COMMITTEE
23rd OCTOBER 2012

0915hours

Mr A Llewellyn, Deputy Chairman
Mr Allen
Mr Arditti
Mr R Berry
Mr M Birmingham
Mr B Kelly
Mr I Tugby
Mr W Walden

Mr R Burke, Chief Executive
Mrs E Maurice, Assistant Treasurer
Mrs S Pengilly-Price, EA to the Chief Executive
Mrs E O'Toole, Minute Secretary

Apologies: Mr J Beaman, Mr G Sargent and Mrs K A Hatcher-Gaudion

ACTION

83/2012 **Minutes of the previous meeting** of 25th September 2012 tabled and **approved** subject to the following items being moved from the Confidential Annexure to the published minutes:

- Item 76.1.3.2 Connaught Report – Audit Procedures
- Item 77.4 Duty Free Concession
- Item 77.6 New Pension Scheme
- Item 77.9 Banquage Freeholds

84/2012 **Matters Arising**

84.1 Matters arising from the minutes

84.1.1 Succession to the Crown Bill Mr Arditti advised that at the previous meeting of the Committee it was proposed but not approved that the Chief Executive and Mr Llewellyn would write to the Policy Council advising that the Committee is supportive of legislation being drafted but would prefer to have separate legislation for Alderney.

The Committee unanimously approved. Chief Executive and Mr Llewellyn to deal.

CE/AL

84.1.2 Housing Strategy The Chief Executive advised that a meeting has been scheduled to discuss the proposed Housing Strategy. A further update will be given at the next meeting of Committee.

CE

84.1.3 Commonwealth Games 2014 Mr Birmingham advised that a number of sports have been identified in which Alderney could compete and advice is being sought from the Commonwealth Games Federation with regards to qualification requirements etc. **Noted.**

84.1.4 Occupiers Rates It was noted that a member wished to register his dissatisfaction that an application to the Finance Advisory Group for a grant in relation to this matter had been refused.

Mr Kelly and Mr Birmingham, members of FAG and in the absence of Mr Sargent the Group Chairman, advised that the decision was made based on the fact that the organisation is not a charity even though it gives to charity and furthermore an application for a grant does not imply it will be granted.

84.1.5 Inheritance Law Mr Llewellyn queried progress on this item; Mr Arditti advised that the Chief Executive is currently liaising with the Law Officers. **Noted.**

84.1.6 New Pension Scheme See CONFIDENTIAL ANNEXURE.

84.1.7 Fort Tourgis The Chief Executive advised that following information received that Verweij and Partners had been declared bankrupt, Mr Frans Verweij had confirmed him that the Architect and Engineering arm of

Verweij and Partners had been declared bankrupt however the Real Estate and Development arm of Verweij and Partners, which is developing Fort Tourgis, are not bankrupt and are still planning on developing the fort by the end of the year. **Noted.**

It was noted that an interested party who had previously expressed interest in purchasing Fort Tourgis has restated its interest however at the previous meeting, the Committee had resolved by a majority not to consider selling Fort Tourgis at this time. **Noted.**

Mr Kelly requested that in light of the information received that due diligence be carried out on the status of the company. Chief Executive to deal.

CE

The Chairman proposed that a decision on the future of Fort Tourgis is deferred until at least the end of the year.

84.2 Matters Arising from Finance Advisory Group Confidential notes from the Finance Advisory Group (FAG) meeting of 15th October 2012 tabled and **noted.**

85/2012

Standing Items**85.1 Committee feedback from Chairmen**

85.1.1 General Services Committee Mr Walden proposed that going forwards the draft minutes of General Services Committee meetings are circulated to all States Members prior to Committee meetings. The Chairman agreed.

MINUTE SECRETARY

Mr Walden gave a brief update of matters discussed at the recent GSC meeting, the draft minutes of which will be published on the States of Alderney website shortly. **Noted.**

85.1.2 Building and Development Control Committee Mr Llewellyn, in the absence of the Chairman Mr Sargent, advised that the proposed development on land at La Corvee was deferred at the previous meeting pending an Environmental Impact Assessment (EIA) which has been requested. The Chief Executive advised that he has now received a copy of the EIA and a meeting will be held with Mr Bruekers and the States Engineer to discuss. **Noted.**

85.1.3 Sub Group feedback

85.1.3.1 AHA Liaison Group Nothing to report.

85.1.3.2 Connaught Report Mr Llewellyn advised that following the request at the previous meeting to provide further information of the audit report, the letter of representation has now been received from the Connaught.

Mr Llewellyn advised that the Treasurer and Chief Executive have met with KPMG regarding a reduced audit; the Assistant Treasurer advised that information had now been received relating to an example AUP report from KPMG and requested this be reviewed prior to any formal decision being made.

Mr Llewellyn therefore proposed that the States, as the only shareholder of the Company, agree in principle for the Royal Connaught to have a reduced audit procedure. The Committee agree.

AGENDA ITEM

85.1.3.3 Constitution and Legislation Advisory Group Mr Arditti advised that CLAG intend to bring two proposals to the November meeting of the Committee relating to Merchant Shipping and Motor Insurance. **Noted.**

CLAG/AGENDA ITEM

Mr Arditti advised Members that the Law Officers were requested to consider the Security of Interests Law and it is anticipated to report further on the matter at the next meeting of the Committee.

CLAG/AGENDA ITEM

85.1.4 Guernsey Representatives Nothing to report.

85.1.5 Alderney Electricity Limited Paper from the Chief Executive dated 16th October 2012 tabled and considered. Mr Allen declared an interest and would not vote on the matter.

A share transfer request has been received from AEL to permit the transfer of 20 company shares from Mr L Jean to Mr M Brown and in accordance with article 48.1 of AEL Memorandum and Articles of Association, '*no sale, transfer, assignment, pledge, charge or other disposition of any share or any interest in any share shall be effected without the prior written consent of the Authority*' and "The Authority" is defined in the Memorandum and Articles of Association as the States of Alderney.

RESOLVED by a majority (Mr Allen abstained) to consent to the transfer of 20 company shares from Mr Louis Jean to Mr Martyn Brown subject to obtaining advice on whether full States approval is required. Chief Executive to deal.

85.2 Annual Reports from Committees Members with areas of responsibilities within the Committee were requested to ensure annual reports are submitted by the 20th November for inclusion on the December Billet.

ALL/GSC/BDCC

86/2012

Budgetary and Financial Matters

86.1 Harbour Ladders Replacement Email from the Assistant Treasurer to GSC Members dated 18th October 2012 tabled and considered. The Assistant Treasurer reported that a quotation had been received from a local firm for the fabrication and replacement of the stainless steel ladders in the inner Harbour. It was noted, however, that some additional cost above the £26k may be incurred should there be a requirement to hire a suitable crane.

RESOLVED unanimously to approve £26k for replacement ladders in the inner Harbour. Treasury to deal.

TREASURY

86.2 Water Board Projects – Phase 4b (2013) It was noted that these items had been tabled and approved by the Water Board on 9th October 2012. Mr Arditti queried whether these projects should be placed before the States as in total they are in excess of £100k; the Committee agreed, as these were three totally separate projects which only coincidentally were tabled together, it was in order to depart from the financial procedures, as was done with Water Phase 4a.

86.2.1 Le Bourgage – Renewal of existing water main Report from the States Engineer dated 3rd October 2012 tabled and considered.

RESOLVED unanimously to endorse the decision to approve the renewal of the existing asbestos cement /galvanised steel water main in 63mm diameter HPPE along the whole length of La Bourgage by the States of Alderney Water Board through capital funding of Phase 4 works to a sum not exceeding £52,000. States Engineer and Treasury to deal.

ENGINEER/TREASURY

86.2.2 La Trigale/Marais Square – Renewal of existing water main Report from the States Engineer dated 3rd October 2012 tabled and considered.

RESOLVED unanimously to endorse the decision to approve the renewal of the existing pre war galvanised steel main along the whole length of La Trigale by the States of Alderney Water Board through capital funding of Phase 4 works to a sum not exceeding £97,000. Treasury to deal.

ENGINEER/TREASURY

86.2.3 Mare Jean Bott – Renewal of existing water main Report from the States Engineer dated 3rd October 2012 tabled and considered.

RESOLVED unanimously to endorse the decision to approve the renewal of the existing pre war galvanised steel main along the whole length of Mare Jean Bott by the States of Alderney Water Board using the States Works Department through capital funding of Phase 4 works to a sum not exceeding £32,000. Treasury to deal.

ENGINEER/TREASURY

86.3 Cost of Living Survey Paper from Mr Berry tabled and discussed. Mr Berry raised concerns regarding the exclusion of Alderney from the Cost of Living survey carried out by the States of Guernsey. He further stated that the people of Alderney pay both Income Tax and Social Security contributions to the States of Guernsey and therefore Alderney should have been included in the survey.

Mr Arditti, as a Guernsey Representative, advised that numerous attempts by himself and Mr Kelly to persuade the States of Guernsey to include Alderney in the survey had been unsuccessful. It was noted that efforts to undertake our own survey have also been unsuccessful due to the lack of resources and the complexity of the task. Mr Birmingham suggested that the issue could be considered again at a future meeting to include the views of newly elected States Members. **Noted.**

The Chairman requested that the Guernsey Representatives raise the matter again with the States of Guernsey Civil Service or relevant department.

PA/BK

86.4 Fort Albert

86.4.1 Alderney Renewable Energy – Lease of land and premises at Fort Albert

Letter from Mr Declan Gaudion, Director of ARE Ltd, dated 9th October 2012 tabled and discussed. The Committee noted the termination of the Agreement for Lease between Alderney Renewable Energy and the States of Alderney regarding land and premises at Fort Albert. **Noted.**

86.4.2 UCP Group – Development Programme Paper from the Chief Executive dated 16th October 2012 tabled and considered. The Chief Executive advised that the leases awarded to UCP for both Fort Albert and the Old Connaught Care Home in July 2012 contain a clause requiring the company to prepare a development programme which has now been provided.

RESOLVED unanimously to:-

- a) **Approve the development programme by UCP for the Old Connaught Care Home and Fort Albert; and**
- b) **To defer making any further decision with regards extending the lease currently held by UCP for the Fort at this time.**

Chief Executive to deal.

86.5 States of Alderney 2013 Budget Letter from Deputy Gavin St Pier, Minister of Treasury and Resources Department, dated 12th October 2012 tabled and discussed. Members were extremely disappointed and concerned that the letter suggested that the arrangement with the States of Alderney and the Alderney Gambling Control Commission Reserves should be reviewed as well as a request that the States of Alderney should consider whether it can contribute to reducing the budget deficit by requiring a lower revenue Cash Limit in future years.

It was noted the FAG is due to meet with the Treasury and Resources Board on the 20th November and members of FAG were requested to raise these issues at that meeting.

FAG

86.6 Coin Agency Paper from the Treasurer dated 9th October 2012 tabled and considered. It was noted that the Alderney Wildlife Trust had been the on island coin agent for commemorative coins since November 2011, however AWT recently advised they wish to terminate their contract with the States and therefore it was re-advertised for an alternative agent. Subsequently one application was received from Mrs Annie Walter who proposes to operate the coin agency from The Bookshop.

The matter was considered by the Finance Advisory Group at their meeting of the 15th October 2012 and approved.

RESOLVED unanimously to authorise the Treasurer's Office to enter into a contract with Mrs Walter with effect from 1st November 2012 until 31st August 2014. Treasury to deal.

11:05 – 11:20 Coffee Break

11:05 Mrs E Maurice left the meeting

11:20 Mr Gordon Owen joined the meeting

87/2012

Presentations

87.1 Marina Presentation See CONFIDENTIAL ANNEXURE.

12:10 Mr Gordon Owen left the meeting

87.2 Food Supplements Nutrition & Health Mrs Cameron was unable to attend the meeting due to adverse weather conditions. Item deferred.

DEFERRED

87.3 AEL Introduction Mr Richards was unable to attend the meeting due to adverse weather conditions. Item deferred.

DEFERRED

88/2012

Alderney Airport Letters from Mr C Le Ray, Airport Director, dated 5th October 2012 and 27th September 2012 tabled and discussed. Mr Le Ray had advised that following a recent audit by the Civil Aviation Authority, the Public Services Department (PSD) commissioned an engineering review of the three runways at Alderney Airport and the PSD Board has raised concerns over costs associated with improving and continued maintenance of the grass runways.

It was noted that runway 03-21, the short grass strip, had already been closed because of safety concerns. The reduced usage of the grass runways, as stated in the letters, is considered to be accountable to the failure of PSD to maintain the runways. **Noted.**

Mr Arditti advised that an Airport Working Group meeting with the Public Services Department is scheduled for 13th November 2012 to discuss these issues. The Chairman requested the Chief Executive draft a letter to Mr Le Ray to register the Committee's objection to be circulated to Members prior to being sent.

CE

89/2012

Legislation and Conventions

89.1 Aircraft Registry Mr Arditti advised that following the previous meeting, he had a meeting with the Minister of Commerce and Employment in Guernsey, Deputy Kevin Stewart to enquire why Alderney had not been consulted in the process and if there was an opportunity for back office work/facilities in Alderney however he had received an unsatisfactory response. It was noted that Mr Llewellyn had also written to Deputy Stewart regarding the matter.

The Committee was fully supportive of Mr Walden's proposal to organise an emergency meeting with the External Relations Group to discuss this matter amongst various other matters of concern. Chief Executives office to deal.

CE OFFICE

89.2 Legislation Select Committee items

The following items, which will appear on the Billet of the December meeting of the States of Deliberation, were **noted**:

- Air Navigation (Bailiwick of Guernsey) Law, 2012
- Aviation (Amendment)(Bailiwick of Guernsey) Law, 2012

Chief Executive's Office to deal.

CE OFFICE

90/2012

Economic Planning & Tourism and Marketing

90.1 Economic Development Plan Summary of the draft Economic Development Plan tabled and noted. Mr Birmingham requested that any discussion on the item be deferred to a future meeting to allow Members sufficient time to consider the document. The Chairman agreed.

DEFERRED

Electronic and/or hard copies to be circulated to all Members.

CE OFFICE

90.2 Transport Statistics Airport Statistics (Commercial Airline and Private Aviation) and Harbour Statistics (Yacht, Ferry and Cruise Ships) for September 2012 tabled and **noted**.

90.3 Future of Marketing Manager position Mr Birmingham advised that a report will be submitted at the next meeting of the Committee to advise the future of the Marketing Manager position and what is being done in the interim.

MB/AGENDA ITEM

90.4 Labour Market Statistics for Quarter 2 of 2012 tabled and noted. Figures to be publicised. Chief Executive to deal.

CE

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Meeting closed: 13:05pm

Signed: *John Beaman, Chairman*

Date: 27th November 2012