

**POLICY COMMITTEE MEETING
ANNE FRENCH ROOM
25th MARCH 2013**

0915 hours

Mr P Arditti, Chairman
Mr N Harvey
Mr L Jean
Mr R McDowall
Mr F Simonet

Mr R Burke, Chief Executive
Mrs K A Hatcher-Gaudion, Treasurer
Mrs S Pengilly-Price, EA to the Chief Executive
Mrs E O'Toole, Minute Secretary

In attendance: Mr R Berry

ACTION

28/2013 **Minutes of the previous meeting** of the 25th February 2013 and confidential minutes of the Marina Presentation of the 25th February 2013 tabled and **approved**.

The Chairman requested the criteria of matters placed in the confidential annexures is discussed at the next meeting of the Committee with a view to minimising the use of confidential annexures.

AGENDA ITEM

Minutes from the Finance Committee meeting of the 14th March 2013 and the Business Development, Tourism and Marketing Committee meeting of the 11th March 2013 tabled and **noted**.

29/2013**Matters Arising****29.1 Matters arising from the minutes**

29.1.1 HSSD Liaison The Chairman reported that Mr Rowley had reconsidered his initial decision and has agreed to undertake the role of Health and Social Services Department liaison.
The Committee approved.

29.1.2 Fort Albert Proposal Mr McDowall advised that himself, the Chairman and the Chief Executive had met with Mr Chris Watts, Director of Up Close and Personal Group. He updated the Committee on the operations of UCP and due diligence issues raised, which he found to be satisfactory.
Mr. McDowall further advised that the financial due diligence concludes that UCP is funding its operations out of cash flow.

The Chairman, Mr Harvey and Mr Simonet to arrange a meeting with UCP to discuss matters of concern.

PAN/H/FS

The amended lease to Fort Albert, to include the middle ground, was approved subject to time restrictions being included in the development plan and other concerns being addressed.

29.1.3 Alderney Renewable Energy The Chairman queried as to when Mr McDowall anticipated bringing the proposal regarding the executive resources and associated funding relating to the ARE 4kw turbine project, FAB link and future turbine arrays to the Committee; Mr McDowall advised that he had intended to await the outcome of the energy consultation, details of which will be discussed later in the meeting, and the review of ACRE.

Agreed that Mr McDowall bring a combined proposal including the review of ACRE and the executive resources and associated funding relating to the ARE 4kw turbine project to the next meeting of the Committee.

RM/AGENDA ITEM**29.2 Committee feedback from Chairmen (B&DCC and ESC) and Guernsey Representatives**

B&DCC Mr Simonet advised that the Review Panel had completed the task of review the Building and Development Control Law and the panel had been

disbanded. A paper of the review process is being drafted and the next stage is to be initiated before BDCC apply to the Committee for funding and inclusion in the legislative prioritisation. **Noted.**

ESC Mr Jean advised that he is pleased with the progress of the Committee.

Commercial Quay Revetment – It was noted that minor remedial works will be required on the Revetment following the severe weather at the beginning of April. The Chief Executive advised that the revetment rebuild is expected to commence in the summer. **Noted.**

Guernsey Representatives Nothing to report.

29.3 Employment Permit report – March tabled and **noted.** Mr Harvey advised that Mr Berry will be assisting him with the review of the Employment Permit system. **Noted.**

29.4 Quarterly Reports Report from Ms P A Dixon, Chairman Alderney Commission for Renewable Energy, dated 18th March 2013 tabled and **noted.**

It was noted that the Chairman, Mr Harvey, the Chief Executive and the President are to attend the Thetis International Energy Conference on the 10th and 11th April in Brest and will report back to the Committee and the States in due course.

AERG

30/2013

Budgetary and Financial Matters

30.1 Management Accounts Summary to date, circulated by email, tabled and **noted.**

30.2 States of Alderney 2012 Accounts and Letter of Representation Report from Treasurer dated 19th March 2013, States of Alderney Accounts 2012 and Letter of Representation dated 25th March 2013 tabled and considered.

RESOLVED unanimously to agree to approve the 2012 States of Alderney Accounts and the Letter of Representation, which was signed by the Chairman.

The 2012 Accounts to be placed on the Billet for the April meeting of the States.

BILLET ITEM

The Chairman, on behalf of the Committee, thanked the Treasurer, her staff and all those involved for their efforts and hard work of bringing in the accounts on budget.

30.3 Charges for consolidation of legislation The Chief Executive advised that he is awaiting a response from the Law Officers Chambers. **Noted.**

30.4 Water Board Capital expenditure Paper from the States Engineer dated 4th February 2013 tabled and considered.

RESOLVED unanimously to approve the purchase and installation of a new standby diesel pump by the States of Alderney Water Board, as part of the capital grant from the States of Alderney in respect of Phase 4(b) 2013 works, at a sum not exceeding £23,000, subject to approval by T&R.

TREASURY

30.5 Campsite Capital expenditure Paper from the Chief Executive dated 5th February 2013 tabled and considered. The Chairman reported that the Business Development, Tourism and Marketing Committee and the Finance Committee discussed and considered the proposal of further capital expenditure at the Campsite to improve the current facilities.

Mr Harvey, Chairman of BDTM, advised that his Committee by a majority supported the proposal and, in the absence of a business plan, considered the Campsite a valuable tourist attraction for the Island and an asset the States should improve as well as market more appropriately. Mr McDowall, Chairman of FC, advised that his Committee by a majority supported the proposal.

Mr Simonet stated that he could not support the proposal for economic reasons. **Noted.**

RESOLVED by a majority (Mr Simonet against) to support the recommendation from the Estates and Services Committee, BDTM Committee and the Finance Committee to approve capital expenditure to improve the Campsite facilities, subject to planning permissions, as follows:

- a) £9,000 for the upgrade of the café/shop facilities;
- b) £41,000 for the new wet weather/laundry facility; and
- c) £15,500 for the warden's on site accommodation.

Chief Executive's office to deal.

CE OFFICE

The Chairman urged Members to show their support for the project on the basis that a decision having been made, a positive attitude can maximise any benefit to be gained from this expenditure whereas negativity serves no useful purpose. Mr Simonet stated that he could not speak in favour of the approved expenditure as he did not believe it to be a sensible use of tax payers' money.

30.6 Alderney Retail Prices Paper from Mr Chris Brock, Chief Executive of Island Analysis, tabled and considered. Members were of the opinion that a retail prices survey comparison with Guernsey prices, which will include TRP and rental prices, would provide the States and the Island with valuable data/information.

RESOLVED unanimously to agree to approve Island Analysis to undertake a 'mini' Alderney Retail Prices survey at a cost of £950. Chief Executive to deal.

CE

30.7 Pension Scheme – proposed amendments – CONFIDENTIAL Item deferred to later in the meeting.

30.8 Alderney Census Report from Island Analysis tabled and discussed. The Chief Executive advised that following the request at the previous meeting, Island Analysis were invited to submit a proposal to carry out a traditional census in Alderney as soon as possible. It was noted that the relevant Ordinance has been drafted and has been forwarded to the Law Officers for review.

RESOLVED unanimously to approve capital expenditure of up to £30k for Island Analysis to undertake a Census in Alderney and for the ordinance to be placed on the Billet for approval at the April meeting of the States.

CE/BILLET ITEM

31/2013

Business Development, Tourism & Marketing Matters

31.1 Proposal to change the Airspace classification in the Channel Islands Letter from Les Smallwood, Senior Air Traffic Control Officer, Jersey Airport dated 16th February 2013 tabled and discussed. Mr Harvey gave a summary of the matter and explained how the current airspace classification affects private aviation in the Channel Islands

The Committee raised no objections to the proposal to change the airspace classification in the Channel Islands Airspace. Chief Executive to deal.

CE

Mr Jean queried what more can be done to improve other areas of airport; the Chairman requested Mr Jean bring a proposal for debate at the May meeting of the Committee.

LJ/AGENDA ITEM MAY

31.2 Transport statistics – February 2013 tabled and noted.

31.3 Tourism Strategy Living Island – A Cultural Tourism Strategy for the Island of Alderney tabled and discussed. Mr Harvey advised that the UK Wildlife Trust have verbally advised that they have agreed £50k funding towards the implementation of the 'Living Islands' proposal and wish to give credit to the Alderney Wildlife Trust Manager, Roland Gauvian, who was a key driving force behind the programme.
Noted.

Mr Harvey further advised that the Cultural Tourism Strategy had gained approval from the Alderney Wildlife Trust, the Alderney Society and other interested parties.
Noted.

It was further noted that the Chamber of Commerce had been approached to assist with the public relations issues relating to this proposal.

The Chairman, on behalf of the Committee, thanked Mr Harvey and the BDTM Committee on a very good report and proposal.

The Committee unanimously approve the Cultural Tourism Strategy. BDTM to progress.

BDTM

31.4 Annual Economic Statistical Report tabled and discussed. Mr Harvey advised Mr Birmingham had been requested to produce a draft report of key indicators that the Committee were to focus on for improvement. The following information for 2012 as well as historical data for comparison, is included within the report:-

- Population Statistics (once available)
- Working Population Figures
- Employment Sector Statistics
- Conge Figures
- Harbour Cargo Figures
- Airport Passenger Movement Statistics

The Chairman requested that a quarterly report containing the above information be circulated to all Members and the press/media for publication. Mr Harvey to deal.

NH

Alderney Property Report – The Chairman requested that progress on the monthly reports, agreed by the Committee in January, is discussed at the next meeting.

AGENDA ITEM

10:55 Mr Berry left the meeting

10:55 – 11:00 Break

11:00 Mr Mike Richards, Chairman of Alderney Electricity Ltd Board, joined the meeting

32/2013

Alderney Electricity – Chairman Presentation Mr Richards gave a brief background on his business credentials and history. He advised of the issues facing AEL which require essential capital expenditure. He further highlighted issues with regards to age and maintenance of the network infrastructure and advised the following, including but not limited to, is to be a priority over the next 10 years:

- the oil pipe line from the docks to the storage tanks – upgrade/replace over next 5 years
- the storage tanks – upgrade/replace where necessary over the next 7 years
- generators – carry out essential maintenance as purchasing new generators would be too costly
- sub-stations – only 5 of 21 currently in useful life

Mr Richards advised that the asset management plan would be required to determine the affordability of these projects. **Noted.**

See Confidential Annexure.

Mr Richards further discussed the States potential financial involvement in the investing in the upgrading of the electricity infrastructure of the Island.

The Chairman thanked Mr Richards for attending the meeting.

12:07 Mr Mike Richards, Chairman of Alderney Electricity Ltd Board, left the meeting

12:07 – 12:10 Break

The Chairman requested Mr McDowall, States nominated director of AEL, liaise with the Chairman of AEL to bring proposals to the Committee after which the Chairman would be invited to give his presentation to all States Members.

RM/AGENDA ITEM

New Non-Executive Director of AEL

Mr McDowall advised that the position of a new non-executive director on the board of AEL to replace the vacancy left by him was advertised. Of the 15 applicants 3 were local residents and ultimately 4 applicants were interviewed for the position.

RESOLVED unanimously to approve the Chief Executive to exercise a vote on behalf of the States of Alderney as majority shareholder of Alderney Electricity Limited to ratify the appointment of Mr Norson Harris at the next Annual General Meeting of AEL.

CE

Mr McDowall gave a brief background on Mr Harris, who is a Barrister and is a Guernsey resident. The Chairman requested Mr McDowall obtain a copy of Mr Harris' CV for distribution to Members.

RM

It was noted that Mr Harris has waived the directors' fee associated with the post, for the first year. **Noted.**

30/2013

Budgetary and Financial Matters (continue)

30.7 Pension Scheme – proposed amendments – CONFIDENTIAL Paper from the Trustees of the States of Alderney Pension Scheme dated 21st March 2013 tabled and considered.

RESOLVED unanimously to approve:-

1. The appointment of Mr R. McDowall as the 5th Trustee, during his term of office with the States of Alderney;
2. Further investigation into a structured withdrawal from Aviva, using four alternative fund managers, and spreading the investments over a) Longer-term equities growth (30%), b) High Income funds (30%), c) Special situations (20%), and d) Alternative investments for pension funds (20%), and to approve investment of the 2013 funds with Investec;
3. Amending the rules in respect of pension payments to younger spouses. Where a married member is more than ten years older than the surviving spouse, and spouses pension becoming payable should be reduced by a percentage (initial suggestion 2%) for each year by which the difference in age exceeds ten years (up to a max of 50%). Subject to staff/union consultation;
4. For the foreseeable future, funding all pensions by draw-down from the fund, as opposed to purchasing an annuity. Subject to approval by the States of Alderney; and
5. The formation of a new Defined Contribution Scheme to be provided by BWCI, for employees recruited after 1st January 2012. Subject to approval by the States of Alderney.

Trustees to deal.

PENSION TRUSTEES

Items 4 and 5 to be placed on the April Billet for approval by the full States.

BILLET ITEM

The Chief Executive and Mr McDowall were requested to circulate the proposed amendments to all staff affected and for a presentation to be arranged as soon as possible.

CE/RM

33/2013

Fort Tourgis The Chief Executive advised that Savills Estate Agents have turned down the offer to market the property. It was noted that an investment consultation company had expressed interest in Fort Tourgis. Mr McDowall to investigate further. **Noted.**

Members discussed at length the best options on how to proceed with Fort Tourgis. Mr Simonet stated that in order to market Fort Tourgis appropriately, a development brief is necessary and a local qualified individual has offered to carry out this task for £5,000.

Mr Jean stated that in his opinion the States should concentrate on other more important priorities and revisit the debate on the future of Fort Tourgis at a later date.

RESOLVED by a majority (Mr Simonet against), not to actively pursue the development of Fort Tourgis and to review the matter in a years' time.

34/2013

Legislation and Conventions**34.1 Prioritisation of Legislation** Item deferred to the next meeting of the Committee.**DEFERRED/AGENDA ITEM****34.2 Copyright and Performers Rights** Draft amendment to the 2005 Ordinances tabled and it was noted that comment from Mr David Stanley, Intellectual Property Consultant, is still awaited. **Noted.**

Item deferred to the next meeting of the Committee.

DEFERRED/AGENDA ITEM

35/2013

Strategy and Vision Draft paper from Mr Stephen Taylor tabled and discussed. The Chief Executive advised that the document outlines a mission statement, vision, values and strategic priorities of the States following workshops with both States Members and staff.**RESOLVED to approve the draft document and to support the strategic planning process as outlined. Chief Executive to circulate document to all Members.****CE**It was noted that further work will be undertaken to address departmental priorities and the business plan. **Noted.**

36/2013

Island Energy Policy Consultation document drafted by Mr McDowall, circulated by email, tabled and discussed. It was noted that the document is to be put out for consultation with the Island stakeholders. **Noted.**It was also noted that a public consultation will take place at a later date and the questions altered in order for it to be more applicable. **Noted.**

37/2013

Any Other Business**37.1 Future of Business in Alderney** Mr McDowall advised that he had received further information from Sandpiper CI Ltd. The Chairman requested Mr McDowall provide a paper to the Committee for consideration at the next meeting.**AGENDA ITEM****37.2 By-election** Paper from the Chief Executive's Office dated 22nd March 2013 tabled and considered. Due to the resignation of States Member Anthony Llewellyn a casual vacancy now exists among Members of the States of Alderney and according to the Government of Alderney Law, 2004 as amended, the States shall appoint a day no later than 3 months after the vacancy occurs to hold a by-election.**RESOLVED unanimously to approve that the day appointed under the Law for the By-Election for 2013 is Saturday 11th May 2013 and for this date to be submitted to the April meeting of the States for formal approval.****Chief Executive's Office to deal.****CE OFFICE/APRIL BILLET****37.3 2014 Budget meeting date** It was noted that the date of the special Policy Committee meeting in September, to approve the 2014 budget, has now changed to Wednesday 11th September 2013 at 9:15am. **Noted.**

Revised date of the meeting to be circulated to all Members.

CE OFFICE

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Meeting closed: 13:10pm

Signed: Mr P Arditti**Date: 22nd April 2013**