

**POLICY AND FINANCE COMMITTEE MEETING
ANNE FRENCH ROOM
25th FEBRUARY 2014**

0915 hours

Mr F Simonet, Chairman
Mr R Berry
Mr M Birmingham
Mr N Harvey
Mr L Jean
Mr R McDowall
Mr S Roberts
Mr I Tugby

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

Apologies: Mr C Rowley

In attendance: Mr R Paris, Alderney Community Sports Centre – (for item 14.4 only)

ACTION

The Chairman advised the Committee that he was informed by Deputy Peter Harwood that he would be tendering his resignation as Chief Minister of the States of Guernsey however would remain on as a Guernsey States Member. **Noted**

12/2014 **Minutes of the previous meeting** of 28th January 2014 tabled and **approved** subject to the following amendment:-
Item 3.1.1 Code of Conduct – Amend resolution to read “RESOLVED by a majority (*Mr Jean against*) to form a Panel...”

Notes from the Finance Committee meeting of the 24th February 2014 to be circulated at a later date. **Noted**

Notes of the Business Development, Tourism and Marketing Committee meeting of 23rd January 2014 to be circulated at a later date. **Noted**

Notes of the Alderney Liaison Group meeting of 14th January 2014 tabled and **noted**.

13/2014

Matters Arising

13.1 Matters arising from the minutes

13.1.1 Annual Appointments – deferred from January meeting The Committee unanimously agreed the following with regards to the remaining appointments:-

- **St John’s Alderney Ambulance Board member** – Mr Birmingham
- **Royal Connaught Residential Home Board member** – Deferred until an Annual General Meeting has been held.
- **Butes Centre Trustee** – Mr Berry advised that since taking up the post in 2011, he has yet to be sworn in at the Court and the Trustees had not, to his knowledge, held a meeting during that time. The Treasurer advised that the States have a vested interest in the matter as the Butes Centre building is owned by the States. The Chairman requested clarification is obtained from the Court regarding the current Trustees in order for the matter to be addressed.

13.1.2 Government of Alderney (Amendment) Law 2013 The Committee noted that Royal Sanction had been received on the 11th February 2014 and should be registered before the full Court on the 24th February or the 17th March. **Noted**

13.2 Committee feedback from Chairmen (B&DCC and GSC) and Guernsey Representatives

BDCC Mr Birmingham advised that the Committee is scheduled to have their next meeting on the 4th March. It was noted that ARUP will be holding a seminar day on

CE

the 12th March of the planning review work carried out and all Members are invited to attend. **Noted**

GSC Mr Tugby, Deputy Chairman of GSC, gave a brief update of matters discussed at the recent meeting of the Committee. It was noted that the Committee agreed to hold a special meeting in April to discuss Capital Prioritisation. **Noted**

Guernsey Representatives Mr Jean advised that a Requête on Island Wide Voting, which concerns Alderney, will be discussed at a future States of Deliberations meeting. It was noted that this matter will be discussed at the March States in Committee meeting. **Noted**

13.3 Employment permit report – February (to date) tabled and noted.

13.4 Quarterly Reports

13.4.1 Alderney Housing Association report for the period 1st October to 31st December 2013 from Mr John Weir, AHA Manager, and Mr Steve Williams, Chief Executive AHA, tabled and discussed.

Members raised various queries and Mr McDowall recommended AHA be invited to a future meeting of the Committee to discuss. The Chairman agreed. Treasurer to deal.

TREASURER

14/2014

Budgetary and Financial Matters

14.1 Management Accounts Paper from the Treasurer dated 17th February 2014 tabled and discussed. The Treasurer advised that the accounts are final subject to audit, which is currently being carried out. The audited accounts will be on the agenda for the next meeting of the Committee for approval prior to approval by the full States at the April meeting. **Noted**

The Committee noted the minor operating surplus (£1.3K) on the Water Board accounts and commended the Water Board manager and staff on this achievement.

14.2 Aged Debtors Report *See Confidential Annexure.*

14.3 Revenue Account Report - Potential Future Deficits *See Confidential Annexure.*

10:15 Mr Rod Paris, Trustee Alderney Community Sport Centre (ACSC), joined the meeting

14.4 Alderney Community Sport Centre – Pool & Gym Proposal Paper from Mr Rod Paris, Trustee ACSC, dated 22nd January 2014 and tabled and discussed.

Mr Paris advised the Committee that sufficient funds have been raised/pledged to allow construction of the basic building to commence however further funding will be required to improve the building with solar panels, better insulation, handicap lift, cardiac arrest equipment etc.

The Chairman queried the sport centre being run by volunteers; Mr Paris advised that he has been inundated with people willing to volunteer once the sport centre has opened however alternate arrangements will be made should this not be a feasible option details of which is available to view in the current business plan. It was noted that the current business plan is available on the ACSC website and the Chief Executive was requested to circulate this to all States Members.

Mr Paris further advised that Mr Kerry Wedd of ACSC will be project manager of the project and monthly progress updates will be provided for the Committee. **Noted**

Mr Berry queried the running costs of the sport centre; Mr Paris advised that the Education department committed to allocate £12.5K annual grant for 5 years. It was noted that the ACSC is awaiting a 'Commence Works Agreement' with the Education department, which Mr Paris has drafted. Mr Jean, as States appointed liaison with the Education department, offered to discuss this matter with members of the Education department.

LJ

The Chairman stated that the Committee will review the business plan to ensure that all the criteria has been met prior to a decision being made with regards to the funding.

The Committee thanked Mr Paris for his attendance.

10:35 Mr Paris left the meeting

14.5 Commemorative Bitcoin Letter from Deputy Peter Harwood, States of Guernsey Chief Minister, dated 4th February 2014 tabled and discussed. Mr McDowall gave an update of the progress of the Commemorative Bitcoin with the Royal Mint. Members noted that the business development of the coin has been passed to the Law Officers and will be brought back to both the Finance Committee and this Committee for discussion. Mr McDowall addressed the concerns raised in Deputy Harwood's letter and stated that the Commemorative Bitcoin will not be a virtual currency therefore financial risk/exposure will not be an issue.

The Chief Executive added that the Policy Council and PWC had been invited to discuss this matter with the Committee however declined and appropriate operational procedures have been put in place between the States and the Royal Mint, as the providers of the Bitcoin. **Noted**

Mr McDowall advised that he will have a teleconference meeting with the Royal Mint on the 4th March and will be meeting with the Chamber of Commerce and the local Corporate Service Providers on the 9th April.

The Committee, Mr Jean had reservations, agreed for Mr McDowall to continue discussions with the Royal Mint, await final approval of the proposition and to circulate the Purchase Flow Chart of the Bitcoin to Members by email.

RM

14.6 AHA – Alexandra Court Refurbishment Paper from Mr Steve Williams, Chief Executive of AHA, dated 18th February 2014 tabled and considered.

RESOLVED by a majority (Mr Tugby against) to approve £40K, from the 2014 capital allocation, as part of the 2014 grant for refurbishment works of 9 properties at Alexandra Court.

TREASURY

14.7 Referrals from General Services Committee

a. **St Anne's Church – 2014 Works** Paper from the States Engineer dated 10th February 2014 tabled and considered. Members raised a query with regards to the scaffolding and the States Engineer was requested to join the meeting.

11:05 States Engineer joined the meeting

The States Engineer explained the GSC decision to exclude the scaffolding canopy as this had not be part of the original specification and was considered unnecessary as these works would be carried out in drier months of the year. It was noted that the contractor opted to include the scaffolding canopy due to the problems with water ingress during the first phase of the work however this has now been rectified. **Noted**

11:10 States Engineer left the meeting

RESOLVED unanimously to approve:-

- a) the 2014 contract for roof repair works to St Anne's Church is awarded to Vaudin Stonemasons as an extension of its current contract;
- b) Lovell Ozanne undertake surveying and project management of the 2014 contract; and
- c) the 2014 works are funded from the Capital Account to a sum not exceeding £119,000.

Item to be placed on the March Billet for approval by the full States and T&R.

ENGINEER/BILLET ITEM

b. **Replacement valves, meters and fire hydrants** Paper from the States Engineer dated 6th February 2014 tabled and considered.

RESOLVED unanimously to approve the replacement of the existing faulty valves, water meters and fire hydrants identified on the water main

networks by the States of Alderney Water Board through capital grant funding of Phase 4c 2014 works, to a sum not exceeding £43,300.

ENGINEER/TREASURY

14.8 Economic Development Budget Paper from Mr McDowall dated 19th February 2014 and Procurement Policy for the States of Guernsey and the States of Alderney, received from the States of Guernsey Policy Council, dated January 2014 tabled and discussed.

RESOLVED by majority (Mr L Jean against) to approve:-

- The establishment of the Economic Development Budget for a minimum of 3 years, £300K per annum, funded by AGCC reserves, subject to a full review at the end of year 1 by the Committee, T&R and the Alderney Liaison Group;
- The renegotiation of the financial memorandum between the States of Guernsey and the States of Alderney; and
- Request the Finance Committee to review the request for changes to procurement rules.

RM/CE/TREASURY/FC

14.9 Channel Island Lottery Paper from the Treasury Department dated 19th February 2014 tabled and considered.

RESOLVED unanimously to accept the proposed amendments to the Channel Island Lottery distribution of operating surpluses and forfeited prizes fund, subject to approval by the Guernsey States of Deliberations.

TREASURY

14.10 Capability Building Paper from the Chief Executive dated 19th February 2014 tabled and considered.

RESOLVED by a majority (Mr Jean and Mr Roberts against) to approve:-

- Expenditure of £7.5K for the first stage of the proposed scheme by PricewaterhouseCoopers (PwC) for template presentations to aid decision making in Committee meetings; and
- The Chief Executive to investigate other firms able to provide this service at a reduced cost.

Chief Executive to deal.

CE

15/2014

Business Development, Tourism & Marketing Matters

15.1 Campsite It was noted that a special GSC meeting is being arranged to discuss matters raised by the Campsite Operators at the February meeting and all Members will be invited to attend. **Noted**

GSC

15.2 Aurigny Mr Harvey advised the Committee of the following matters raised during discussion with Mr Mark Darby, Chief Executive of Aurigny:-
Replacement aircrafts for Trislanders – It was noted the Dornier is still being investigated/considered as a suitable replacement however no firm decision has been made.

Alderney Trials Biking Event – Aurigny had informed that they will not be able to supply the charter aircrafts from Jersey to Alderney during the Trials Biking Event this year therefore the event is unable to take place.

Mr Jean and Mr Tugby raised concern over the loss of this charter service, the loss of service predicted for Alderney week and the peak months as it will impact the islands economy. It was noted that a service level agreement with Aurigny may be required. **Noted**

Mr Harvey stated that the States should continue to put pressure on T&R to extend the opening hours at the airport. **Noted**

15.3 Alderney Airport Members discussed the concerns with regards to the cross winds limitation currently enforced at the Airport. It was noted that the Airport Working Group has a meeting scheduled early March to discuss matters following the Requête.

The Chief Executive requested to circulate the aviation report to Members.

CE

15.4 Transport Statistics – January 2014 tabled and noted.

- 16/2014** **Legislation and Conventions**
- 16.1 Legislation Select Committee items** It was noted that the following items, which may be of interest to Alderney, will appear on the Billet of the April meeting of the States of Deliberation:-
- The Income Tax (Guernsey)(Amendment) Ordinance, 2014
 - The Severe Disability Benefit and Carer's Allowance (Guernsey) Law, 2013 (Commencement) Ordinance, 2014
 - The States Trading Companies (Bailiwick of Guernsey) (Amendment) Ordinance, 2014
- Chief Executive's office to deal.** **CE OFFICE**
- 16.2 Money Laundering and Terrorist Financing** Letter from the Home Department, States of Guernsey, dated 7th February 2014 tabled and **noted**. The Committee raised no comment or objection to the proposed enactment of amendments to the Bailiwick's criminal justice framework in respect of money laundering, terrorist financing and jurisdiction over maritime offences. **CE OFFICE**
- 16.3 Inheritance Law** Paper from the Chief Executive dated 19th February 2014 tabled and considered. **RESOLVED unanimously to approve consultation papers to be drawn up by the Law Officers Chambers prior to the drafting of legislation.** **CE**
- 17/2014** **Alderney Commission for Renewable Energy** *See Confidential Annexure.* **CE**
- 18/2014** **Alderney Electricity Ltd** Paper from Mr McDowall, States appointed Director on the Board of AEL, dated 19th February 2014 tabled and considered. **RESOLVED unanimously to approve the Memorandum of Understanding between the States of Alderney and Alderney Electricity Ltd.** **CE**
- 19/2014** **Confidential Item** *See Confidential Annexure.*
- 20/2014** **Marina** The Chairman summarised the progress to date by Braye Harbour Developments Ltd (BHDL), the preferred bidders for the Marina.
- See Confidential Annexure.
- The majority of the Committee, Mr Tugby against, agreed for the Chief Executive to identify a professional individual to engage with BHDL on behalf of the States.
- The Chief Executive advised the other interested developer, Alderney Developments Limited, have indicated that they do not wish to pursue the marina aspect of their proposal at this time however continue the onshore development and draw up appropriate development plans, with formal support from the Committee. The Committee agreed that in their opinion a letter of support is not necessary for ADL to carry out the works proposed.
- 21/2014** **Any Other Business**
- 21.1 Pension Fund** Mr McDowall advised that the deficit on the States of Alderney pensions fund has been reduced by £300K-£400K. Noted He further stated he wishes to write a letter, with consent from the Committee, to the States of Guernsey regarding the substantial deficit on their pension fund (estimated £507M) which should be addressed and not become a liability on the Alderney tax payer. Mr McDowall to draft a letter. **RM**
- 21.2 Bank Account for Credit/Debit Card Payments** The Treasurer requested permission to open a secondary States of Alderney bank account, as a holding account, in order to facilitate the administration of payments by credit and debit cards. **RESOLVED unanimously to approve a secondary States of Alderney bank account, as a holding account, to facilitate payments by debit and credit cards. Treasurer to deal.**

TREASURER

21.3 'Fly a Flag' Commonwealth Event The Committee noted that the States have signed up to the Fly a Flag for the Commonwealth event on Monday 10th March. Flags all over the Commonwealth will be raised at 10am on this date and will be flown throughout the Commonwealth Games. The President will read out the Commonwealth Affirmation before the raising of the flag. **Noted**

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Meeting closed: 13.50pm

Signed: Mr F Simonet

Date: 25th March 2014