

**POLICY AND FINANCE COMMITTEE MEETING
ANNE FRENCH ROOM
26th October 2015
0915hours**

PRESENT:

Mr R McDowall, Deputy Chairman
Mr S Roberts
Mr G McKinley
Mr M Birmingham
Mr F Simonet
Mr C Rowley
Mr L Jean

IN ATTENDANCE:

Mr W V Brownlees, Chief Executive (CE)
Mrs S Pengilley-Price, EA to the Chief Executive (SP)
Mrs E Maurice, Assistant Treasurer (EM)
Mrs L Baines, Minute Secretary (LB)
Mr P Veron, Economic Development Officer (PV)

Apologies: Mr I Tugby, Mrs N Paris, Mr N Harvey, Chairman, Mrs K A Hatcher-Gaudion, Treasurer (KG)

ACTION**98/2015**

Minutes of the previous meeting of 22nd September 2015 tabled and **approved**.

Notes from the Finance Committee meeting of 19th October –Mr McDowall stated that FC has mandated the CE to come back with proposals for the structuring of a Financial Board in the New Year, for a necessary measure to substantiate good financial governance and financial and risk scrutiny in a small jurisdiction, to be able to review the financial relationship positively. The presentation of accounts are also to be reformatted for easier understanding, however, due to staff shortages, there is a quarterly postponement and therefore it is anticipated that the revisions will be complete for the end of 2015. It was also noted that the Head of Operations had questioned the States capacity to deliver the capital projects budgeted for 2016. Mr McDowall advised that he has asked GSC to identify and resolve the resources issue with the Head of Operations. **Noted.**

Notes from the Business Development, Tourism & Marketing Committee meeting of 5th October –Mr Rowley stated that there was nothing further to report, apart from the progress on the Nunnery. The Chief Executive advised that he has had discussions with Jason Monaghan, who is to manage the Nunnery as a historical site of significance. A full terms and conditions are being documented and will be represented for approval. It was noted that the Landmark Trust is not interested in the Nunnery as further Tourist accommodation. The Committee agreed that there is need for management control for this important piece of heritage, through either a Trust or Foundation.

The Committee agreed that the Nunnery, as it is classed as a Fort, remain as a P&F item, and for the committee to be updated as required.

99/2015**Matters Arising****99.1 Committee feedback from Chairmen (B&DCC and GSC) and Guernsey Representatives and Alderney Liaison Group**

BDCC –Mr Birmingham thanked the members who attended the ARUP meetings during last week, and relayed that they were useful sessions. The appointment of the Planning Inspector is awaiting a decision from the President. The improvement of policies such as windows, dark skies and fence & boundary treatments are being

reviewed as advised by ARUP. Mr Birmingham stated that he will provide reports to the full States.

Mr McKinley expressed his concern with the 'extreme lighting' at the harbour – Mr Birmingham was invited to attend GSC on this issue when raised at the next meeting.

GSC–Nothing to report, no meeting held this month.

Guernsey Reps –3 amendments are in for discussion – Runway, increase in the costs of TRP and Fuel. The re-establishment of the reciprocal health agreement between Guernsey and the UK was also discussed. It was clarified by Paul Veron that it was the UK that had withdrawn the original reciprocal agreement due to the financial implications.

Paul Veron also stated that the proposed tax cap to be increased from 5 to 10 years would be useful to Alderney, subject to clarification on the correct form of double tax treaty to underline the opportunity for this concession. Alderney should support the amendment. He noted that tax relief measures would probably be more beneficial to the Island.

Alderney Liaison Group–The Committee noted that the next meeting is on 2nd November. This will be a critical meeting to determine the framework of the proposed changes to the financial relationship which will need to come for approval to P&F, the States of Alderney, the SoG Policy Council and States of Guernsey; and the measures will require implementation to meet the changes to the financial relationship.

Mr McDowall advised that the draft report on the total contribution which Alderney makes to the Bailiwick though the presence of the AGCC will be placed on the ALG agenda. It was agreed that the final report with all final figures be placed as a report on the States of Alderney Billet. It was noted that ALG are meeting on the 30th November, and the Committee agreed that at least one of the Guernsey Representatives should attend the meeting, as they will need to be briefed for the February meeting of the States of Guernsey.

99.2 December P&F

The Committee agreed to the cancellation of the 22nd December P&F, with the final P&F meeting for 2015 being the 24th November. For any major issues that arise, a meeting can be arranged in December. All other routine business can be resolved via email.

99.3 People's Meeting Part 2

It was noted that there has been more acceptance of answers given at the People's Meetings – the system is working well as is.

99.4 QIT

Mr McDowall reported that this is a contentious issue, but will not be for a re-vote at this meeting due to absent members. It was stated that QIT is fully supported by the Chamber of Commerce, however, some members requested clarity to establish the facts, and requested further discussions.

The Committee agreed for QIT to be placed on the November agenda for further discussion.

AGENDA ITEM

99.5 Island's Adventures – Fort Albert

Paul Veron reported that he clarified to the Island's Adventures team that the States of Alderney do have a measure of support for the adventure activities, but anything involving military style training or weapons which are not accepted in the UK would not be accepted in Alderney. Another business plan would be considered purely based on leisure activities.

Mr McKinley advised that he had spoken to Bear Grylls, who has expressed an interest in coming to Alderney with a view to possibly setting up a holiday adventure scheme.
Noted.

100/2015

Budgetary and Financial Matters

100.1 Alderney Airport – Proposed Dues and Charges for 2016– Letter from C Le Ray dated 24th September 2015 tabled and noted. The Committee advised for the CE to note the increases, but to point out the reason cited for the decline of traffic in August was inaccurate. Technical problems with the Aurigny fleet had been the principle contribution to the decline in August traffic. CE to circulate draft of reply to members for information.

CE OFFICE

100.2 Water Rates – Report from Treasury dated 21st October 2015 tabled and noted. **The Committee unanimously agreed with the proposals (b), (c) (d) & (e) with effect from 26th December 2015 (payable March 2016). Mr Jean had already registered his voted against the increase in the water rates at the States October 2015 Meeting:-**

- a) **An increase in general Water Rates of 2% as approved at the budget meeting, with the exception of:-**
- b) **A reduction in the garden/domestic hose charge to £20 per quarter, with a view to further future reductions**
- c) **An increase in the minimum charge for commercial/domestic property to £60 per quarter in order to partially recover the loss of income under a), 2% increase only to apply to ‘other’ minimum charge**
- d) **Increasing the disconnection/reconnection fee to 3 x minimum charge in order to deter unnecessary disconnections**
- e) **Amalgamating the minimum one off charge for installation of internal & external meters to the same amount of £532.00**

TREASURY/SUBS

101/2015

Economic Development Plan

101.1 Economic Development Plan Update – Action plan tabled and **noted**. Report from Economic Development Officer dated 12th October 2015 tabled and **noted**. Paul Veron advised that he is to allocate the political leads on all projects with Mr Harvey. It was noted that the EDP will be available to the public once approved by the full States. Any queries regarding the non-confidential aspects of the EDP can be answered by Paul Veron via periodic meetings with the Chamber of Commerce and others as necessary. It was also clarified that the Health Stakeholders Group will be addressed in the financial relationship proposals.

The Committee agreed to approve the EDP as currently presented as the Road Map for the final two months of 2015 and 2016, and to direct that it be updated monthly and submitted to regular P&F Meetings.

PV

101.2 Gold Certificates – Presentation Report from Bullionrock, a bullion issuer financially regulated by the GFSC, was tabled and noted.

Mr McDowall recommended that the States of Alderney should support the proposals to generate revenues through promoting the sales of precious metals ingots, initially gold. This could result in potential earnings of up to £250k per year in revenue over a 3-5 year build up in commissions/royalty fees. An audit trail and periodic accounting will be provided. CE to pursue and come back to P&F with the final report once audit and control issues have been clarified and resolved. Mr McDowall to provide a summary of risks and how they will be managed.

The Committee approved in principle subject to clarification on the audit and control issues, which are currently with the auditors (KPMG) for response.

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101.3 ARUP – Revised Costings – Verbal Update from CE.

The CE reported that subject to the ARUP meetings held last week, the sequencing input of the LUP Review and budget timeline will need adjusting. The Committee noted that the adjustments in the time table/ re-sequencing, is to match the flow of work set over the specific time frame. This work comes under the Economic Development Reserve Fund rather than the Revenue Account. **Noted.**

102/2015

Legislation, Conventions and Policy

102.1 Measuring Relative Poverty and Income Inequality in Guernsey – Report from Economic Development Officer dated 30th September 2015 tabled and **noted**. Paul Veron stated that the Guernsey Policy Council have noted that the situation in Alderney differs to Guernsey. This will also be linked to the Financial Review. Mr Birmingham stated that a major priority for Alderney is the food and energy costs.

RESOLVED to support the report and make comment to the Policy Council along the following lines: - “The Alderney Policy & Finance Committee is pleased to support this report and its recommendations. In order to plan to alleviate social deprivation in any community, it is important to have a factual base indicating the size and nature of any problem. Such data is necessary to plan socio-economic policy for the future. While, under the terms of the 1948 Agreement, it is the States of Guernsey that has the responsibility and accountability for the majority of the health and social services in Alderney, the Committee believes that it is vital for Guernsey Departments (and the States of Alderney) to have reliable data upon which to base future policy and actions to alleviate the relative poverty experienced by the less fortunate members of our communities.”

PV

102.2 Raz Causeway Report–Report from CE Office dated 26th October 2015 tabled and noted.

The Committee agreed for the CE to investigate the matter further, requesting a detailed proposal to be tabled at the November P&F.

CE OFFICE

102.3 Committee Mandates–2015 Mandates tabled and noted.

The Committee agreed for all suggestions for revised 2016 Committee Mandates to be emailed to the CE Office, to be placed on the November P&F.

CE OFFICE

102.4 Consultation – C&E Policy Letter - Utilities– Email from Policy Officer, Commerce & Employment, dated 21st September 2015 tabled and noted.

The Committee ratified the approved legislative changes to the Policy Letter.

102.5 Policy Letter on the Review of GFSC Legislation–Email from Policy Officer, Commerce & Employment, dated 24th September 2015 tabled and noted.

The Committee ratified the approved legislative changes to the Review of GFSC Legislation.

102.6 AHA – Billet Item - Report from AHA dated 19th October 2015 tabled and noted.

It was noted that AHA have removed the '28 day 'clause from their draft report. Mr McDowall stated that this issue should be referenced to the Financial Relationship Review regarding potential risks – Mr McDowall and Paul Veron to discuss further.

Some members agreed that the waiver of document duty and conge should apply to all first time buyers, not just those purchasing under the AHA Scheme.

The Committee requested that the AHA Board Members meet with P&F to discuss further the technical issues before going forward to the full States. CE to organise the meeting and remove as a Billet item for November.

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103/2015

Any Other Business

103.1 Consumer Protection Consultation Paper

The Committee noted that it would be a disadvantage for Alderney if the island isn't included in the Consumer Protection Legislation. Mr McDowall stated that the cost of compliance is a concern, with other members raising concerns about any further legislation. The paper has been put to the Chamber of Commerce for comments.

103.2 Intellectual Property Register

It was noted that Mr Stanley has provided a detailed response, with ways of testing innovation patterns. Paris Convention in Guernsey – not signed as yet. Mr McDowall advised he is opposed to Guernsey Lawyers becoming registered Patent Agents as the measure would only further increase the monopoly of the Guernsey Bar.

103.3 Education Consumer Paper – ‘Your Schools Your Choice’

The Committee noted the report.

103.4 Re-Capitalisation of Aurigny

It was reported that the Re-Capitalisation of Aurigny presentation is being held on 11th November. The Committee agreed for Mr Harvey and Mr Roberts to attend the Presentation.

103.5 Government Reform/Constitution of Committees

The Committee agreed that this needs to be reviewed, and links in with the Financial Relationship Review. For further discussion at November P&F meeting.

103.6 Meeting with Mr Le Tocq

Mr McKinley reported that he will be putting questions to Mr Le Tocq regarding the Immigration Policy.

103.7 Guernsey Post

Mr Rowley advised that he had received information from Mr Smilie regarding the issues with the Guernsey Postal Service. It was noted that 85% of UK post is received/delivered the next day. The strict identification process for collecting parcels has been reversed due to customer comment. 20% of packages are put on the boat, with the remainder being placed in storage cages – with 10 out of 12 cages being placed on the plane as freight. This still indicated a back log in parcel delivery.

103.8 Local Management Trial of Schools

The CE reported that Jon Buckland (Chief Senior Education Officer) had visited the Island to meet the St Anne School Parent Association and the head teacher with a view to trialling local budget management of the school. The proposals could give more flexibility and scope for deployment of resource at the School and would be a huge opportunity for Alderney. It will include a process of establishing a Citizen Body to appoint governors for the management of the School in conjunction with the head teacher.

104/2015

Press Releases

- **Economic Development Plan**

105/2015

For Information

The following reports/letters were noted:-

- **Aged Debtors Report – Confidential Item**
- **AHA Board Changes and Undertaking**
- **Guernsey & Alderney Excise Rates**
- **Fort Tourgis**
- **Amendments to Guernsey Billet – Annual Budget 2016 (x3)**
- **Royal Connaught Accounts 2014**
- **Education – Launch of Your Schools**
- **Annual Independent Fiscal Policy Review 2015 – *Circulated via email***

Meeting closed: 11.55am

Signed: Robert McDowall

Date: 1st December 2015