

**POLICY & FINANCE COMMITTEE**  
**25<sup>th</sup> SEPTEMBER 2012**

0915hours

Mr J Beaman, Chairman  
 Mr Allen  
 Mr Arditti  
 Mr R Berry  
 Mr M Birmingham  
 Mr B Kelly  
 Mr A Llewellyn  
 Mr G Sargent  
 Mr I Tugby  
 Mr W Walden

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

**ACTION**

**74/2012**      **Minutes of the previous meeting** of 24<sup>th</sup> July 2012 tabled and **approved**.

**75/2012**      **Matters Arising**

**75.1 Matters arising from the minutes**

**75.1.1 Visit from Home Department** Mr Kelly advised that members of the States of Guernsey Home Department will visit the Island on the 6<sup>th</sup> November to meet with the Chief Executive and the Chairman as well as visiting the buildings and subjects of the Island's Transferred Services.

Members who wish to meet with the Home Department can do so however a specific meeting has not be arranged. **Noted**.

**75.1.2 Marina Advisory Group update** Mr Allen advised that the consortium of Walcon and Kay Elliot Architects are awaiting quotations for the construction of the spur and are in the process of setting up an Alderney Company. **Noted**.

**75.1.3 AVGAS** The Chief Executive advised that following the request at the previous meeting to obtain the relevant information on the Alderney Electricity Ltd (AEL) AVGAS agreement, a draft concession dated 2005 and an agreement made between the States and the former Chairman of AEL to permit the supply of AVGAS has been sourced. **Noted**.

Mr Kelly advised that the board of AEL are considering a different business model for the provision of AVGAS/Aviation fuel for the island. **Noted**.

See CONFIDENTIAL ANNEXURE.

**75.2 Matters Arising from Finance Advisory Group** Confidential notes from the Finance Advisory Group (FAG) meeting of 17<sup>th</sup> September 2012 tabled and **noted**.

**76/2012**      **Standing Items**

**76.1 Committee feedback from Chairmen**

**76.1.1 General Services Committee** Mr Walden updated the Committee of matters discussed at the recent GSC meeting, the draft minutes of which will be published on the States of Alderney website shortly. **Noted**.

**76.1.2 Building and Development Control Committee** Nothing to report.

**76.1.3 Sub Group feedback**

**76.1.3.1 AHA Liaison Group** Mr Sargent reported on matters discussed at the recent meeting held on the 18<sup>th</sup> September and the following items were noted:

- The AHA is carrying out surveys of social housing properties to determine whether repair works or maintenance works are required.
- AHA are still pursuing the Platte Saline development and will be submitting a revised planning application for 6 properties to BDCC once an Exemption Ordinance has been approved by the States. AHA had reiterated that the housing is essential to relocate people from properties which requiring major renovations as well as providing homes for those on the waiting list. It was noted that AHA had been unable to source suitable rental properties through local estate agents into which to move tenants while renovations were undertaken.

Mr Sargent noted that AHA had queried when the States would be in a position to provide a housing strategy, which is a requirement under the Framework Agreement. The Chairman requested that a proposal is brought to the next meeting of the Committee for consideration.

GS

Proposal regarding AHA reporting to the Committee on a more regular basis was supported in principle but also deferred to the next meeting of the Committee for a decision. Mr Sargent to deal.

GS

**76.1.3.2 Connaught Report** Quarterly report, September 2012, tabled and noted.

Report on New Connaught Care Home from the States Engineer dated 17<sup>th</sup> September 2012 tabled. It was noted that the following issues are ongoing/being resolved with the contractor:-

- grasscrete road,
- squeaky first floor, and
- fire alarm separation between the two care homes

Audit Procedures – Proposal from The Royal Connaught Board tabled and discussed. The annual audit for the Royal Connaught Residential Home 2011 accounts was £10k. It was anticipated that future audit fees would be much less as the preliminary work of establishing background information had been completed for the 2011 audit. However a quotation of £6,750 for the 2012 audit has been received from KPMG which is considered excessive by the Royal Connaught Board. To date only a small operating surplus has been achieved during 2012 and a fee of such an amount would be detrimental to the Company finances.

In the UK companies with a turnover of less than £5.5 million do not require an audit only a statement of approval of the accounting procedures. The Royal Connaught Board has therefore recommended that the Company follow this procedure, but would consider having a full audit every 5 years if required by the States as the only shareholder.

The Chairman requested Mr Llewellyn obtain the full audit report for 2011 which includes internal controls and procedures of the Company and deferred the matter to the October meeting of the Committee for further consideration.

**AL/AGENDA ITEM**

**76.1.3.3 Constitution and Legislation Advisory Group** Mr Arditti reported on matters discussed and the following was noted:-

- Bailiwick of Guernsey Medicines Law – The amendment to the law relates to supervisory chemists required to be of 3 year standing. The local chemist has been consulted.

**The Committee agreed to not raise any objections to the amendment to the law which will bring the Bailiwick in line with the UK.**

- Criminal Justice Strategy – Following a query raised regarding restorative justice. It was noted that the States of Guernsey Home Department pays the costs associated with sending prisoners from Alderney to Guernsey.
- EU Law and Policy Development was noted.
- Inheritance Law – The law was passed in Guernsey earlier this year to bring it in line with the UK. Guernsey has subsequently moved from Enforced Inheritance, Norman Law customs, and adopted Testamentary Freedom, a Roman Law principle, which is also the UK principle. This change means inheritance can be left for anyone with the proviso that should there be a real dependent, the new legislation permits the court to make provision for them..

**The Committee agreed to authorise CLAG to invite the Law Officers to consider the adoption of the new Guernsey Inheritance law and to take into consideration the pros and cons of retaining Retrait Lineage. CLAG to deal and bring back a recommendation to the Committee.**

**CLAG**

- Mr Birmingham will be entering into preliminary discussion with the Law Officers regarding lottery and charity events which involves gambling.

Mr Sargent requested that a list of outstanding legislative issues is circulated to Members. Mr Arditti to deal.

**PA**

**76.1.4 Guernsey Representatives** Nothing to report.

**76.1.5 Alderney Commission for Renewable Energy** July to September 2012 report tabled and **noted**.

**76.1.6 Alderney Electricity Limited** Mr Kelly gave a brief verbal report and the following was noted:-

- Power Surge – A recent power surge occurred in the Colin Bott/Little Street area and was investigated by AEL however the cause could be eventually determined. The matter is being dealt with by AEL and their insurance company with assistance from a claims investigator. It was noted that power surges occur regularly and the AEL advises that every household must ensure surge protectors are used. AEL to send out notices to households with invoices/bills as a reminder that surge protectors should be used.

Mr Arditti requested that AEL include advice on which are the recommended surge protectors to use.

**BK**

- New Chairman – The new Chairman of the Board of AEL, Mr Michael Richards, will meet with the Committee at the October meeting.

**AGENDA ITEM**

**76.2 Confidential Item** – See CONFIDENTIAL ANNEXURE.

**77/2012**

**Budgetary and Financial Matters**

**77.1 Harbour Crane** Report from Sennebogen Mechanical and Structural Design Engineers tabled and considered. A quotation for a Sennebogen 680 HMC K1-Version was detailed in the report and the General Services Committee (GSC) approved to proceed with a single source tender to purchase a Mobile Crane.

Mr Kelly, as Member on GSC with responsibility for Harbour and Fisheries, advised that the Deputy Harbour Master indicated that the following extras, offered by Sennebogen, would be required: Auxiliary Jib, Optional Kits for Maintenance,

Servicing and a 36 Months Extended Warranty; Mr Walden requested that this is raised at the next GSC meeting to consider with the Harbour Master the necessity of these extras including the extended warranty.

GSC

Mr Berry queried if the crane will be suitable for sea/marine conditions as the quotation indicated that special protective measures are not included and should be ordered separately; the Chief Executive was requested to investigate further with the Harbour Master.

CE

Members recommended that the new crane should be stored away when not in use.

The Treasurer advised that the budget has allowed for 3 months rental of the current crane in 2013 however as the delivery time for the new crane is approximately 7-8 months the timing of placing the order is crucial to the budget allocation. **Noted.**

**RESOLVED unanimously to agree to approve expenditure up to £730k (figure subject to the exchange rate at time of placing order etc) to purchase a Mobile Harbour Crane from Sennebogen with a minimum 36 Months Extended Warranty. Item to be placed on the Billet for the October meeting of the States.**

TREASURY/BILLET ITEM

**77.2 Pilot Boat Engines replacement** Report from the Deputy Harbour Master tabled and considered. Mr Walden advised that the matter was discussed and approved at the recent GSC meeting.

**RESOLVED unanimously to agree to approve capital expenditure of £52k for the supply and fit of two Mermaid replacement engines for the harbour pilot boat. Treasury and Harbour to deal.**

TREASURY/HARBOUR

**77.3 Commercial Quay** Revetment Reconstruction Timetable from Mouchel tabled and **noted.** The Chief Executive advised that four companies have expressed interest to carry out the reconstruction works which is expected to commence April 2013.

10:50-11:00 Coffee Break

11:00 Mr Rod Paris and Mr Barry Pimm-Smith joined the meeting

78/2012

**Alderney Sport Centre** Mr Paris and Mr Pimm-Smith gave a brief presentation on the proposed new project for a Swimming Pool & small Gymnasium which involves the redevelopment of the existing swimming facility at St Anne's School. It was noted that a feasibility study will be carried out and the relevant States of Guernsey departments, Education and Health and Social Services, will be approached. The proposal has been discussed in detail with Mr Mike Gaunt, St Anne's School Head Teacher, who is strongly supportive of such improvements to the school facilities.

Members congratulated Mr Paris and Mr Pimm-Smith on the proposal and expressed their views on Capital investment and annual contribution toward the running cost.

The Committee unanimously support the proposal in principle and await the outcome of the feasibility study.

11:25 Mr Rod Paris and Mr Barry Pimm-Smith left the meeting

77/2012

**Budgetary and Financial Matters - continue**

**77.4 Duty Free Concession** Report from the Treasurer dated 19<sup>th</sup> September 2012 tabled and considered. The Treasurer advised that following the decision by the Committee in May to go out to tender, only one application was received from Wine and Beer Importers Guernsey Ltd who has operated the duty free concession on Guernsey since 2004.

It was noted that Mr Blumberg had also contacted the States to advised that although he did not tender for the concession he would be willing to continue for a further year should a successor not be appointed.

**RESOLVED by a majority (Mr Beaman, Mr Tugby and Mr Walden abstained) to award the Duty Free Concession to the Wine and Beer Importers Guernsey Limited with effect from 1<sup>st</sup> November 2012 for a period of 10 years at the annual sum of £25,000 (plus 5% of turnover over £120k) and for the contract to included a 6 month termination period by either party after the first year. Chief Executive/Treasurer to deal.**

**CE/TREASURER**

**77.5 Water Rates 2013** Paper from Treasury dated 19<sup>th</sup> September 2012 tabled and considered. The Treasurer advised that the proposed increase of 5% on Water Rates was discussed briefly at the recent budget meeting and approved by GSC (The Water Board) at their September meeting.

It was noted that by the time the increase will take effect, at the end of December 2012, it will have been 18 months since the last increase and RPIX over that period is 5%. **Noted.**

The following amendments to the sundry charges were also proposed and approved by GSC:

Sundry charge No 6a - Supply in respect of buildings in the course of construction – excluding the construction or development to create new buildings or dwellings. The charge for minor works such as construction of driveways, walls, greenhouses and extensions is removed for the reasons outlined in the report.

Sundry charge No 10 - Disconnection and reconnection charges – Charge to be increased to a rate equivalent to 2 quarters minimum charge to discourage unnecessary disconnection. This would mean in the majority of cases only those who were intending on not using a supply for 1 year or more would benefit from disconnection.

**RESOLVED unanimously to agree:-**

**1. To approve an overall 5% increase in Water Rates, including minimum & standing charges, with effect from 26<sup>th</sup> December 2012 (payable March 2013) and to amend the future annual review date to the 26<sup>th</sup> December, where possible to be considered in the States in October to coincide with the budget debate.**

**2. To approve the increases and amendments to the sundry charges.**

**Item to be placed on the Billet for the October meeting of the States.**

**TREASURY/BILLET ITEM**

**77.6 New Pension Scheme** Report from the Trustees of the States of Alderney Pension Scheme dated 17<sup>th</sup> September 2012 tabled and considered. The Trustees received proposals from four pension's providers for a new Defined Contribution Scheme for States of Alderney employees recruited after 1<sup>st</sup> January 2012.

The Chairman requested Mr Sargent to assess the information provided by the four pension providers and for this item to be deferred until the next meeting of the Committee.

**GS/AGENDA ITEM**

**77.7 Company Fees 2013** Paper from Treasury dated 18<sup>th</sup> September 2012 tabled and considered.

**RESOLVED unanimously to agree to approve:-**

**1. An RPIX increase of 3.1% as at 30<sup>th</sup> June 2012 (rounded) to Company Fees for 2013; and**

**2. Introducing an additional charge for expedited Company Searches via scanned documents, section 2 (l).**

**Item to be placed on the Billet for the October meeting of the States.**

**TREASURY/BILLET ITEM**

**77.8 Tourgis** Proposal from the Chairman tabled and discussed. It was noted that Verweij and Partners had recently informed the Chief Executive that they are in discussions with two banks regarding funding for the project and an update will be provide in due course.

**RESOLVED by a majority (Mr Arditti, Mr Beaman, Mr Birmingham and Mr Kelly against) to leave the situation as it is at present.**

Mr Walden requested that the possibility of utilising certain areas of Fort Tourgis for storage of States Works equipment be discussed at the next GSC meeting.

GSC

- 77.9 Banquage Freeholds** Report from the Treasurer dated 18<sup>th</sup> September 2012 tabled and considered. Mr Berry and Mr Walden declared an interest. It was noted that the Committee had resolved unanimously at the meeting of 24<sup>th</sup> October 2011, to agree to continue to offer lessees the option of purchasing the freehold of their property at Le Banquage until 31<sup>st</sup> December 2012.

**RESOLVED by a majority (Mr Berry and Mr Walden abstained) to approve: -**

- a) The extension of the option of purchasing freeholds until 31<sup>st</sup> December 2013; and**  
**b) To offer freeholds at the current rate based on 2008 valuations.**  
**Treasury to deal.**

TREASURY

- 77.10 Occupiers Rates 2013** Report from Treasury dated 18<sup>th</sup> September 2012 tabled and considered. Members were requested to reconsider the Occupiers Rates applicable to Island charities and non-profit making organisations.

Mr Sargent requested that considering the variation in rates between categories, a review should be undertaken before increases are considered for 2014. **Noted.**

**RESOLVED to agree the following:-**

- a) Unanimously not to increase the Occupiers Rates for 2013 from 2012 rates as per the draft ordinance; and**  
**b) By a majority (Mr Allen, Mr Arditti and Mr Kelly in favour of a reduction) not to reduce rates for charities and non-profit making organisations at this stage, but to review rates during 2013 for 2014 increases.**

**Item to be placed on the Billet for the October meeting of the States.**

TREASURY/BILLET ITEM

- 77.11 5 Year CIEF** Draft Capital Income and Expenditure Forecast (CIEF) 2012 to 2016 tabled and considered. This item was deferred from the budget meeting on the 6<sup>th</sup> September to the Finance Advisory Group and minor amendments made.

**RESOLVED unanimously to agree to approve the Capital Income and Expenditure Forecast 2012 to 2016 as tabled.**

**All projects subject to full costings and necessary approvals.**

**Treasury to deal.**

TREASURY

- 77.12 Water Board Budget – Revised** Email from the States Engineer dated 20<sup>th</sup> September 2012 and Revised Water Board Budget tabled and considered. The Treasurer advised that following the budget meeting on the 6<sup>th</sup> September, the budget was further scrutinised by the States Engineer to identify additional savings and subsequently the electricity pumping costs have been reduced.

**RESOLVED unanimously to approve the revised States of Alderney Water Board budget. Treasury to deal.**

TREASURY

*Break for lunch 12:30 – 13:30*

79/2012

**Policy & Administration**

- 79.1 (a) Community Engagement Strategy 2013** Draft Policy paper tabled and discussed. The draft policy paper proposed methods of how the views of the community can be included in the planning and decision making processes of the States, which is a statutory requirement in many parts of the world including the UK.

**The Committee was unanimously in favour to further pursue a Community Engagement Strategy policy and for detailed guidance to be drawn up to set out the framework for Community Engagement. Chief Executive to deal.**

CE

**(b) Public Consultation - Peoples Meetings** Paper from Mr Kelly tabled and discussed. Mr Kelly proposed to open discussion at the monthly Peoples Meeting beyond the matters listed in the Billet giving all States members the opportunity to answer questions put by members of the public.

Various comments and suggestions were made and it was agreed to defer the matter in order for it to tie in with the Community Engagement Strategy as well as being considered by the newly elected States Member in 2013.

**DEFERRED**

**79.2 Customer Service - Complaints Procedure** Paper from Chief Executive tabled and discussed. The Chief Executive advised that there is to be a change in the current procedure, i.e. Action Request Forms, of how the public give feedback on Public Services Delivery. All complaints will be investigated thoroughly and fairly with all comments/complaints to be seen by the Chief Executive who will ensure the appropriate action is taken.

**RESOLVED unanimously to approve the new Customers Services Complaints Procedure. Chief Executive to deal.**

**CE**

**79.3 Whistle Blowing Policy** tabled and discussed. It was noted that the Chief Executive had re-drafted the document following the May meeting of the Committee. It was also noted that complaints made involving the Chief Executive would be addressed to the President in the first instance who would then consult with the Employment Board (Policy and Finance Committee).

**RESOLVED unanimously to approve the States of Alderney Whistle Blowing policy. Chief Executive to deal.**

**CE**

**79.4 Committee meeting dates 2013** tabled and **approved by a majority (Mr Allen and Mr Beaman abstained).**

**80/2012**

**Legislation and Conventions**

**80.1 Image Rights (Bailiwick of Guernsey) Ordinance, 2012** tabled and considered. **RESOLVED unanimously to approve the draft Image Rights (Bailiwick of Guernsey) Ordinance, 2012 and offer no further comment. Chief Executives Office to deal.**

**CE OFFICE**

**80.2 Legislation Select Committee items**

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

- Income Tax (Guernsey) (Amendment) (No.2) Ordinance, 2012
- Attendance and Invalid Care Allowances Ordinance, 2012
- Family Allowances Ordinance, 2012
- Health Service (Benefit) (Amendment) Ordinance, 2012
- Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2012
- Supplementary Benefit (implementation) (Amendment) Ordinance, 2012
- The Social Insurance (Guernsey) Law (Amendment) Ordinance 2012
- Social Insurance (Rates of Contributions and Benefits etc) Ordinance, 2012

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

- Data Protection (Bailiwick of Guernsey)(Amendment) Ordinance, 2012
- Employment Agencies (Enabling Provisions) (Bailiwick of Guernsey) Law, 2012
- Image Rights (Bailiwick of Guernsey) Ordinance, 2012

Chief Executive's Office to deal.

**CE OFFICE**

**80.3 Revised General Import Licence** Report from Chief Executive's Office dated 18<sup>th</sup> September 2012 tabled and considered. Following the recent approval of amendments to their General Import Licence by the States of Guernsey Commerce and Employment department, new arrangements for importing pigs, sheep and goats from Jersey into Guernsey has also been agreed and approved. These

imports from Jersey will now need a specific licence and be required to meet certain health requirements, whereas imports from Alderney and Sark will be covered under the General Licence. Alderney has been requested to adopt the same requirements for the importation of pigs, sheep and goats from Jersey so that the island pigs, sheep and goats are similarly protected.

**RESOLVED by a majority (Mr Beaman against) to approve the amendment of the Alderney General Import Licence to cover the items listed above and for the Chairman of Policy and Finance to sign the licence on behalf of the Policy and Finance Committee. Chief Executive's Office to deal.**

**JB/CE OFFICE**

**80.4 Aircraft Registry** Extract from the Billet of the October meeting of the States of Deliberation tabled and discussed. Mr Arditti, as Guernsey Representative, was requested to seek the views of the Minister of Commerce and Employment to identify the benefit to Alderney.

**PA**

Item deferred to the October meeting of the Committee.

**AGENDA ITEM**

**80.5 Guinea Bissau Sanctions** Report from Chief Executives Office tabled and considered.

**RESOLVED unanimously to approve the draft ordinance 'The Republic of Guinea-Bissau (Restrictive Measures) (Alderney) Ordinance, 2012, as best practise, to ensure the States of Alderney sanction framework is up to date; and for the ordinance to be tabled at the next full meeting of the States for approval. Chief Executive's Office to deal.**

**CE OFFICE/BILLET ITEM**

**80.6 CITES Legislation** Paper from Chief Executive's Office tabled and considered. It has been noted that Section 50 of the Ordinance relating to "specified port or airport" may cause us some concern especially as some of our exotic pet imports are imported directly from Southampton Airport or the UK Ports via Channel Seaways or Huelin Renouf Shipping. This has been highlighted with the States of Guernsey Commerce and Employment department and they have advised that it shouldn't be a problem and the advice of Law Officers Chambers has been sought. **RESOLVED unanimously to approve in principal the draft legislation subject to the issue regarding Section 50 of the draft ordinance being resolved. Chief Executive's Office to deal.**

**CE OFFICE**

**81/2012**

**Economic Planning & Tourism and Marketing**

**81.1 Tourism Report** tabled and the following items were **noted**:-

- Visitors Information Centre at the Harbour – An additional Visitor Information Centre was opened at the harbour in the previous duty free office with tourism literature in both English and French put on display for visitors.
- Tour Operators – Jerzzy Tours, a Russian Tour Operator, and Travelsmith, a UK based Tour Operator, visited the Island for familiarisation trips and both will be including Alderney 2013 brochures/literature as well as offering travel packages.
- E-Commerce Show – The Marketing Manager and the States Greffier will be attending the E-Commerce show at Olympia from the 1<sup>st</sup> to 4<sup>th</sup> October.

Mr Birmingham reported that the Marketing Manager submitted her resignation, finishing on the 19<sup>th</sup> October 2012, and thanked her for her hard work over the years. **Noted.**

Mr Birmingham further advised that the Economic Development Plan is being finalised and will be discussed/considered at the next meeting of the Committee.

**AGENDA ITEM**

**81.2 Transport Statistics** Airport Statistics (Commercial Airline and Private Aviation) and Harbour Statistics (Yacht, Ferry and Cruise Ships) for January to July 2012 tabled and **noted.**



**82/2012****For Information/Any Other Business**

**82.1 Succession to the Crown Bill** Letter from Deputy Peter Harwood, Chief Minister States of Guernsey, to The Bailiff, Royal Court House Guernsey, dated 23<sup>rd</sup> August 2012 tabled and discussed.

The matter was referred to CLAG for assessment of Crown Dependencies.

**CLAG**

**82.2 2013 Guernsey States Meetings** tabled and **noted**.

**82.3 GH Developments & Sunningdale Investments** Letters from Grand Hotel Developments Limited dated 1<sup>st</sup> August 2012 and Sunningdale Investments Limited dated 30<sup>th</sup> July 2012 regarding the social housing allocation at the Grand Site, tabled and noted. The Chairman advised that he would respond to the both letters.

**JB**

**82.4 Ferry Proposal** Letter from Mr Peter Annereau dated 7<sup>th</sup> September 2012 tabled and discussed. The Chairman advised that he would respond to Mr Annereau's letter and requested the Ferry Liaison Group to assess the feasibility of the proposal.

**FLG**

**82.5 Chief Pleas - Commonwealth Games 2014** Following the Chief Pleas by Ms Rosemary Hanbury at the recent States meeting, the Committee unanimously agreed to support the proposal to identify an athlete to represent the Island at the 2014 Commonwealth Games in Glasgow. The Chairman agreed to write to Ms Hanbury.

**JB**

*15:10 Chief Executive left the meeting*

Mr Birmingham was requested to investigate which sports will be competed at the Games and report back to the Committee the likely athletes could represent Alderney.

**MB**

/eot

**Meeting closed: 15:15pm****Signed: Mr A Llewellyn, Deputy Chairman****Date: 23<sup>rd</sup> October 2012**