

STANDING FINANCE COMMITTEE

MINUTES OF STANDING FINANCE COMMITTEE MEETING HELD ON WEDNESDAY 28 OCTOBER 2015 in the Liberation Room, Secretariat at 3pm.

These minutes are draft minutes until confirmed by resolution at the next meeting of the Committee

Present: The Honourable R Edwards MLA, Chairman
The Honourable J Cheek MLA
The Honourable Dr. B Elsby MLA
The Honourable I Hansen MLA
The Honourable M Poole MLA
The Honourable P Rendell MBE, MLA
The Honourable G Short MLA

In Attendance: The Honourable Chief Executive, Keith Padgett
The Honourable Acting Financial Secretary, Lydia Morrison
The Director of Public Works, Colin Summers for Items 6 & 8

Clerk: Wendy Luxton, Accounting Assistant
Margaret Butler, Personal Assistant

Public & Press: None

1 Apologies for Absence

The Honourable M Summers OBE, MLA
The Honourable Financial Secretary, Nicola Granger.

2 Declarations of interest

There were no declarations of interest.

3 Confirmation of the minutes of the meeting held on Wednesday 14th October 2015

The minutes were confirmed.

4 Matters arising from the minutes of the meeting held on Wednesday 14th October 2015.

There were no matters arising.

5 Stanley Retail Price Index

It was noted that the Retail Price Index (RPI) has risen in the last quarter but the overall annual RPI has decreased.

Paper
44/15

6 Request for release of funding by means of a self-funding Virement for the Quarry.

Paper
45/15

The Acting Financial Secretary (Ag FS) advised that due to the significant sum being requested a paper had been prepared by the Director of Public Works (DPW) for Members consideration.

The Honourable P Rendell MBE said she was pleased to see the price of bitumen and fuel rates come down and asked for clarification from the DPW that one section within his department is paying the other. The DPW confirmed that is correct and explained the money was originally in the budget for the MPA Road, so the Capital Budget will effectively pay the quarry for the product. The DPW also explained that the amount being requested has been reviewed and is now less than originally asked for taking into account primarily the decrease in bitumen and fuel costs.

The Honourable R Edwards said Project Anamoi had confirmed they are going to be taking crushed stone from the quarry for work on the mountain top and asked if this would make any difference to the amount being asked for. The DPW confirmed this will not make any difference to the cost as it will come out of the private sale stock which is currently down at the moment so will help bring sales back up to where they need to be.

Approval was given for the self-funding virement of £690,480

7 Quarter One Financial Management Report

The Ag FS reported there are some favourable performances based on forecasts in line with the final quarter report for the previous financial year these were relating primarily to increases in revenue from taxation receipts, which are leading to an MTFP and LTFP being more favourable than forecast.

In response to a question from the Honourable G Short about an extra £15.4m being available the Ag FS confirmed this doesn't include unrealised gains and losses so is essentially cash in hand.

The Honourable M Poole asked if liquid assets include the capital equalisation fund. The Honourable Ag FS confirmed it does.

8 Quarter One Capital Projects Report

Paper
42/15

The Ag FS drew attention to several typing errors in this document drawing attention to the following:-

2014/15 should read 2015/16.

Item 4.2 Computers and Ancillaries - Total Project Actual should read Nil, Revised 15/16 Budget should read £85,270 and 2015/16 Actual should read Nil.

8.1 Item 4.4 Transport & Communication

The Honourable Ag FS then gave clarity to the FIGAS Fire Appliances under Item 4.4, as the comments submitted in the report were not clear. The chassis which is being produced in the US will be despatched to Austria for the modification and final components to be added to the vehicle. It will then be sent

to the Falklands still in time to be commissioned in late April/early May.

- 8.2** The committee went through the report page by page and commented on the following items:-

Item 4.1 Economic Development.

Abattoir Improvements - Confirmation was given that the FIMCo manager had submitted details to the Budget Select Committee on capital expenditure.

Item 4.4 Transport and Communication.

TV & Radio Infrastructure - The Honourable I Hansen confirmed the repeater at Harps Farm and Saunders has been installed.

Autopilots - The Ag FS agreed to ask for more clarity.

GM
FIGAS

Item 4.5 Education & Training.

The addition of two new classrooms now in use was noted by members.

Item 4.7 Maintenance.

Fox Bay Improvements - The Honourable R Edwards said he understood from talking with someone from SSL last week that there is a problem over the land and a lease agreement. The Honourable I Hansen agreed to look into this matter and report back to the committee.

MLA
IH

Hospital Maintenance – The Honourable Dr B Elsby noted that a hospital lift engineer will visit the Islands in January to certify and maintain the lift and asked the DPW if in future maintenance visits will include all lifts. The DPW confirmed this will be the case adding that the lift in the Town Hall has just been certified so will not need to be done in January however the next maintenance visit will include all lifts.

Item 4.10 Infrastructure – Roads

Ross Road - The DPW confirmed Ross Road will be open as of next week.

Item 4.11 Infrastructure – Government Land & Buildings.

Jetty Renovations – Although this item refers to the Public Jetty The Honourable R Edwards asked the DPW if there was any money set aside for Government jetty renovations throughout the Islands. The DPW confirmed that there is money in the budget for New Haven and Port Howard but said no money has been set aside for other jetty works. The Honourable P Rendell MBE said she would like to see the San Carlos jetty restored as an historic reminder of 1982. The DPW confirmed this jetty is not part of the PWD maintenance programme.

Item 4.12 Infrastructure – Municipal Services

Power Station – Honourable P Rendell MBE asked the DPW for an update. DPW confirmed a contract is out with Morrison's to do the first stage of the project which consisted of the building of a storage facility. The final quotes have been received for the stores package and with an order due to be placed in the next

week or two.

Design & Consultancy - The Honourable R Rendell MBE asked the DPW if there was a time line for the preparation of the MPA road document. The DPW said he hopes to have something in draft this side of Christmas.

Item 4.14 Safety & Security

Prison – The Honourable R Edwards asked when Pencil Lane will be closed. The DPW confirmed that a final quote has been received from Morrison's which is within budget for the ground works. The units will arrive in December / January however the Installation Engineers have been delayed until February by which time Morrisons will have completed the ground works. The DPW said discussions are taking place with Morrisons on the finer details of the works but it is hoped that the closure of Pencil Lane will happen during the school holidays.

9 To determine which items from the Executive Council meeting held on Wednesday 28th October 2015 can be considered in public and resolve these items.

There was one matter with financial implications referred from Executive Council.

Agenda Item 4 - The Development of Older People's Services in the Falkland Islands – 182/15.

The Committee noted that Executive Council had recommended this paper be referred to the Standing Finance Committee.

ExCo had noted that more work needed to be carried out on staffing costs and housing availability and it was recommended that the Director of Health and Social Services be requested to prepare a report for the next meeting of Standing Finance on the 11th November 2015. DHSS

10 Date of Next meeting: 11th November 2015.

11 Exclusion of Press and Public.

The Chairman to move as follows:

I move that the press and public be now excluded on the ground that the next items of business to be considered are likely to disclose exempt information under Paragraph 10 and 17 relating to information about relevant contracts and negotiations and budgetary information of Schedule 3 of the Committees (Public Access) Ordinance 2012.

12 Confirmation of the Exempt Minutes of the meeting held on Wednesday 14th October 2015.

NOT FOR PUBLICATION by virtue of Paragraph 10 of Schedule 3 of the Committees (Public Access) Ordinance 2012, relating to information about relevant contracts and negotiations.

The Exempt Minutes were confirmed as a true and accurate record and signed by the Chairman although it was noted that Honourable had been spelt incorrectly on a couple of occasions

13 Matters arising from the Exempt Minutes of the meeting held on Wednesday 14th October 2015.

There was one matter arising.

13.1 Quarter Four – Capital Projects Progress Report – Item 4.7 – Fox Bay Improvements.

NOT FOR PUBLICATION by virtue of Paragraph 17 of Schedule 3 of the Committees (Public Access) Ordinance 2012, relating to budgetary information.

The Committee discussed the report submitted by the Fox Bay Village Agents in relation to improvements required. Members were impressed with the level of detail in the report.

DCS

The Honourable P Rendell MBE said it was pleasing to see this project has been taken in hand and that SFC has tried to ensure money was always available for the improvement of the Government Houses at Fox Bay Village.

A full record of this discussion is contained in the exempt section of the minutes.

14 Exempt matters with Financial implications referred from the Executive Council meeting held on Wednesday 28th October 2015.

There were no Exempt matters with financial implications.

15 Quarter One – Capital Projects Progress Report (Projects to be tendered).

Paper
43/15

NOT FOR PUBLICATION by virtue of Paragraph 10 of Schedule 3 of the Committees (Public Access) Ordinance 2012, relating to information about relevant contracts and negotiations.

The report was discussed by the Committee and a full record is contained in the exempt section of the minutes.

16 Request for additional funding for Alternative Water Supply.

**Paper
47/15**

NOT FOR PUBLICATION by virtue of Paragraph 17 of Schedule 3 of the Committees (Public Access) Ordinance 2012, relating to budgetary information.

After some clarification on the report by the DPW the committee approved the release of funding for the completion of the works on the Alternative Water Supply.

A full record is contained in the exempt section of the minutes.

17 Defence Related Taxation Exemptions

**Paper
48/15**

NOT FOR PUBLICATION by virtue of Paragraph 9 of Schedule 3 of the Committees (Public Access) Ordinance 2012, relating to information about other's financial and business affairs.

The Committee considered and agreed to extend the Defence Contractors Employees Tax Exemption to the 31 December 2016. It was also agreed to add Airbus DS Limited and AAR International Inc. as requested.

AG

The Committee agreed the draft order requesting it to be submitted to the Governor for signature to enable an order to be made.

A full record of this discussion is contained in the exempt section of the minutes.

Minutes confirmed this 11th day of November 2015.

Chairman

The Treasury,
Stanley.
3 November 2015,

Clerk