

**Minutes of the Finance Committee Meeting held on Wednesday, 25th November 2020
at 9am in the Corporate Services Conference Room**

Present: Chairman Hon C R Beard
Deputy Chairman Hon L A Henry
Members Hon C G Buckley
Hon A A Green
Hon D F Thomas
Hon Financial Secretary - D L Richards
Secretary Mrs C A George, Hd of Corporate Support

Invited: Deputy Financial Secretary – N A G Yon

OPEN SESSION

1. Welcome

The Chairman opened the meeting by welcoming all present.

2. Declarations of Interest

The Hon Clint Beard and the Hon Derek Thomas declared interests in that they both operate small businesses on the island.

3. Confirmation of Minutes

The minutes of the open session of the Finance Committee meeting held on 28 October 2020 were confirmed.

4. Matters Arising from the open session minutes of 28 October 2020

4.1 (Minute 4.2 of 28 October 2020) Finance Committee Terms of Reference

Reminders had been sent to the Attorney General by both the Financial Secretary and the Secretary. Members were of the view that the lack of response was a matter of concern that should be raised at the next Executive Council meeting.

(Action: Members)

4.2 (Minute 4.3 of 28 October 2020) Q1 SHG Management Accounts 2020/21

The possibility of securing external finance through loans would be raised with FCDO as part of the FAM discussions. The Hon Chairman, Economic Development Committee commented that FCDO officials were sending out different messages from the UK Minister for Overseas Territories and Sustainable Development regarding funding for the next financial year, in that she had suggested that SHG

should make a robust case for any additional funding necessary; he was of the view that the process for such should be clarified. The Financial Secretary suggested that before doing so, it might be prudent to await the outcome of the UK Chancellor's spending review, which would be announced later that day.

(Action: Financial Secretary)

4.4 (Minute 4.5 of 28 October 2020) FSRA Action Plan

The Financial Secretary (FS) had discussed the matter of sharing the FSRA Action Plan with the FSRA Chairman who had agreed that this could be done and that the Finance Committee would be responsible for monitoring the progress made against the Action Plan. The FS would thus circulate a copy of the plan to Members once it had been updated.

(Action: Financial Secretary)

4.5 (Minute 8 of 28th October 2020) AOB – Sale of Chief Secretary Housing

The Financial Secretary had not yet checked whether or not the new valuations of Chief Secretary Properties needed to be endorsed by Executive Council/Finance Committee but he would update Members by email in due course. In response to a question raised, he reported that a one-year lease had been issued for use of Bertrands Cottage.

(Action: Financial Secretary)

5. Proposed Increases in Statutory Fees and Charges

The Head of Corporate Support presented a decision paper with draft Legal Notices relating to proposed increases in statutory fees and charges administered by the section. The fees concerned were those for Companies, Trade Marks and Patents. Increases of 2.6%, rounded to the nearest 0.05p, as set out in the MTEF 2021-24 guidelines to Directors and Accounting Officers had been applied to the Companies and Trade Marks fees. The proposed increases in fees for Patents were initially proposed in 2018 but due to an error in the Patents Ordinance during the Law Revision exercise, where it stated that responsibility of Patents fees was that of the Registrar of Patents, rather than the Governor-in-Council, the error had to be corrected before any increases could be applied at that time. This had since been rectified and thus the 2018 proposed fees were being put forward as part of this year's MTEF process.

Following discussion, during which it was noted that Companies fees would possibly be further reviewed in due course as part of the recently approved Companies Registry policy, Members approved all the increases as set out in the decision paper.

(Action: Secretary)

6. Budget Execution Report P7 (October 2020)

The Deputy Financial Secretary (DFS) presented the budget execution report for Period 7, October 2020. Members noted a forecast deficit of £1.4m to the end of the financial year which included the £750k drawdown from the Consolidated Fund agreed at the beginning of the financial year and the £230k earmarked for the procurement of a road sweeper for the St Helena Airport operations. The remaining £460k forecast overspend was in various Directorates, which Corporate Finance staff were reviewing.

Revenue projections were indicating an under collection to the year end, with a significant amount of this being attributable to 'Customs –Other' and under collection of fees by the Children and Adult Social Care Directorate for care provided at the Community Care Centre due to the number of persons able to contribute towards care costs being fewer than anticipated.

In response to a question about freight, the DFS agreed to check whether SHG was taking advantage of the opportunity to receive goods by air rather than by sea freight, as if that was the case, they could potentially be blocking opportunities for the general public to benefit from the air freight service.

(Action: Deputy Financial Secretary)

In discussion about varying levels of fees for services levied across SHG, for example photocopying, it was considered that a consistent approach should be adopted; the DFS would take this forward with Directors.

(Action: Deputy Financial Secretary)

Members noted that funding of £12k would be utilised from within Employee Costs under Payments on Behalf of the Crown budget line for urgent essential staffing needs required by the Children and Adult Social Care Directorate; this funding would ultimately be transferred to the Directorate via Supplementary Appropriation in due course. The BIP and IRB forecast overspend was still around £100k, with the Children and Adult Social Care Directorate anticipating an overspend of £278k. The Financial Secretary commented that it would be necessary to assess how social care is to be delivered over a period of time, with a 'Deep Dive' of the Directorate to ensure value for money, being planned as part of phase 2 of the 'Fit for the Future' programme along with the Health Directorate.


The forecast expenditure for capital equipment was noted.

On a positive note, the Financial Secretary was able to report that the risk sharing agreement with Connect Saint Helena (Connect) had proven favourable to SHG and Members endorsed his recommendation that the original risk sharing agreement terms should stand. Members noted also that Connect had not yet submitted its business plan for the 2021/22 financial year so the likely level of subsidy was not yet known.

7. Covid 19 Expenditure to end October 2020

Members noted the total expenditure to date and the Deputy Financial Secretary would separate costs shown for flights so that the cost of the Ascension Island flight could be clearly noted.

(Deputy Financial Secretary)

Signed.....

Date.....02/02/2021

Chairman