

**Minutes of the Finance Committee Meeting held on Tuesday, 2<sup>nd</sup> February 2021 at  
9am in the Council Chamber**

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 to the first meeting of the Finance Committee for 2021.

2. Declarations of Interest

The Hon Clint Beard and the Hon Derek Thomas declared interests in that they both operated small businesses on the island, noting however that there were no agenda items in which they were conflicted.

3. Confirmation of Minutes

The minutes of the open session of the Finance Committee meeting held on 25 November 2020 were confirmed.

4. Matters Arising from the open session Minutes of 25 November 2020

4.1 (Minute 4.1 of 25 November 2020) Finance Committee Terms of Reference

The Attorney General (AG) had provided feedback on the version of the Terms of Reference (TORs) that had indicated suggested changes following discussion by the Committee at its meeting in August 2020. His comments had been forwarded to Committee Members for further feedback. Following discussion, the ToRs were agreed. Secretary to incorporate the various track changes suggested by the AG with a view to the ToRs being published in due course.

**(Action: Secretary)**

4.2 (Minute 4.2 of 25 November 2020) Q1 SHG Management Accounts 2020/21

The possibility of securing external finance through loans could be given further consideration once the financial aid settlement for the 2021/22 financial year was known.

**(Action: Financial Secretary)**

4.3 (Minute 4.4 of 25 November 2020) FSRA Action Plan

The Financial Secretary (FS) had not yet circulated a copy of the plan to Members but would do so.

**(Action: Financial Secretary)**

4.4 (Minute 4.5 of 25 November 2020) Sale of Chief Secretary Housing

The Financial Secretary informed Members that he was preparing a Memorandum for Executive Council's consideration which would set out the revised valuations of the various properties.

**(Action: Financial Secretary)**

4.5 (Minute 5 of 25 November 2020) Budget Execution Report P7 (October 2020)

The Deputy Financial Secretary (DFS) informed Members that SHG Directorates were taking advantage of the opportunity to have goods delivered by air freight when necessary.

With regard to the discussion about varying levels of fees for services levied across SHG and the need for a consistent approach, the DFS informed Members that a review was being undertaken. A Member expressed the view that part of the MTEF process should be to ensure that all Directors comply with the requirement to review fees and charges, as it was noted that some fees appeared not to have increased for a number of years. The DFS said he would discuss this with the relevant Directors.

**(Action: Deputy Financial Secretary)**

5. Budget Execution Reports (P8 & P9 November and December 2020)

The Hon Chairman of the Social and Community Development Committee mentioned a discrepancy between the figures in the P8 report and those which had been provided to his Committee; it was agreed that this matter would be discussed further outside of the meeting.

The Deputy Financial Secretary (DFS) focussed his presentation on the report for P9, which included the most up-to-date figures. Members noted a forecast under collection of revenue to the year-end of £116k as well as forecast under expenditure of £1.1m to the year-end.

In noting the various Directorates that were anticipating Capital Expenditure before March 2021, one Member suggested that those Directorates which had indicated those needs should be closely scrutinised; the Deputy Financial Secretary agreed to do so.

**(Action: Deputy Financial Secretary)**

Members noted that some capital expenditure which had already been approved might not be achieved before 31 March 2021 and would therefore have to be factored into the 2021/22 financial year budget; this included expenditure for the upgrade of the fish processing factory, the Road Sweeper for the Airport and the installation costs of the oxygen generation plant at Bradleys.

The DFS updated Members on costs of repatriation flights from April 2020 to January 2021 and they noted that it would be necessary to consider how flights planned for February and March 2021 could be funded if the FCDO did not agree to meet the costs. Members noted that revenue achieved from freight services on the flights had been consistent.

6. Second Supplementary Appropriation 2020/21

The Deputy Financial Secretary (DFS) gave details of the various Directorates which would require Supplementary Appropriation for the 2020/21 financial year, which included a mix of Capital and Recurrent Expenditure. Of particular note by Members was the additional funding requested by the Infrastructure and Transport Directorate in relation to the refurbishment of the Hospital Administration building, as funding had been allocated for that work in the previous financial year; Members asked for an explanation on this. The Financial Secretary agreed that a discussion would be held with the Director.

**(Action: Financial Secretary)**

Following discussion, Members were of the view that in future, the Financial Secretary should write to Directors that any capital expenditure requirements over and above that appropriated in their budgets at the beginning of a financial year, would have to be approved in advance of any expenditure being incurred. Members requested also that the Directors who had indicated budgetary requirements for capital expenditure this financial year should be asked to provide Business Cases to support their requests, with a written detailed justification being requested from the Director of Children and Adult Social Care in relation to the projected overspend in the Directorate's recurrent budget.

**(Action: Financial Secretary)**

Signed.....

Chairman

Date.....

24/02/2021