

MINUTES OF THE ASCENSION ISLAND COUNCIL (AIC)

MEETING HELD IN THE COURT HOUSE,

Thursday, 24th March 2016 at 10:00hrs

Present: (by telephone) Acting Governor, Sean Burns
Marc Holland, Administrator
Walter Scott, Solicitor General
Jamie Manson, Director of Resources
Councillor Samantha Arms-Lawrence
Councillor Jacqui Ellick
Councillor Keturah George
Councillor Nicholas John
Councillor Cyril Leo
Councillor Caroline Yon

In attendance: Nicola Dillon, Clerk of Council

1. Introductions

In his introductory remarks the Acting Governor passed on the apologies of Governor Capes who, along with Mrs Capes, had left St Helena for the last time on 18 March and was en route to France and Corsica for official business. The Acting Governor told members that the Governor would be officially relinquishing his post around 9 or 10 April. The new Governor, Lisa Phillips, would be travelling to Tristan da Cunha on 14 April and would arrive at St Helena on 26 April¹ at which time she would be officially sworn in as Governor of the territory of St Helena, Ascension & Tristan da Cunha.

2. Confirmation of Minutes

The minutes of the Island Council meeting held on 22 February 2016 were agreed and would be published on the AIG website (www.ascension-island.gov.ac).

3. Matters Arising

3.1. Local fuel prices

At the last meeting in March, the Director of Resources (DoR) undertook to write to Babcock about fuel prices. Since writing to the company the price of fuel had dropped from £1.22/litre to £1.06/litre, but there was no suggestion that the price would go lower as Babcock had various costs to recoup. No further action was needed.

3.2. Police Salary Review

The Chief of Police (CoP) was still to formally respond to the Police salary review, which had been presented at Council on 22 February. The Administrator said that he would ask the CoP to confirm the findings of the review following the meeting.

4. 2016 – 2017 Budget and Appropriation Ordinance

The DoR presented the Budget for the next financial year. He told Council that the budget preparations had not been without challenges and there had been a few issues in the last year that had impacted on

¹ Due to an earlier arrival at St Helena, the Governor was sworn in on Monday, 25 April instead of the scheduled arrival date of Tuesday, 26 April.

revenue for the new financial year, but it had been possible to set a balanced budget with a modest surplus. The figures for the 2016/17 financial year were:

Consolidated Fund	£7,498,463
Revenue	£7,655,505
Surplus	£157,042

Revenues

DoR explained the breakdown of the revenue, which was 6.7% less than forecast in the previous financial year. Revenues raised from taxes were comparable, although contributions were expected to increase for income tax as a result of a project by the Department of Energy (DoE). Corporation Tax was also set to increase and this was as a result of a proposal to extend this to Babcock and Interserve; Sure SA Ltd has been paying Corporation Tax in Ascension since 2011. Other commercial companies operating on Ascension would be subject to Corporation Tax in the year 2017/18 following a period of consultation. There was also a slight decrease in property tax and customs duties. Property tax was based on the current level of taxes paid and the limited availability of unused, habitable property. The Business Levy for BCF members remained unchanged. Other revenues generated by AIG showed a decrease in the sale of fishing licences; this was expected to be affected by the closure of half of the island's Exclusive Fishing Zone as a marine reserve and was an ambitious target based on last year's figures. The decommissioning of the RMS was also expected to have an effect on local revenue as this would result in a loss in harbour, cargo and passenger handling fees.

Expenditure

AIG Staff costs showed a variance of a 3% decrease due to savings which had been made in overall staffing. These included provision for an additional nursing post, which would create a saving as it would remove the need to recruit locum nursing cover and would provide flexibility to cover unplanned leave or illness. The merging of the Conservation and Fisheries department also resulted in a small cost saving. Departmental costs were further reduced by 67.5% as a result of a contribution from HMG to cover the cost of a fisheries patrol vessel, which reduced the need for substantial equipment hire costs. Despite reduced planned expenditure AIG was facing costs pressures in areas such as travel costs due to proposed inter-island flights and the decommissioning of the RMS St Helena. In addition the new commercial shipping service, which will also impact upon the cost of shipping cargo between islands. Other costs include the operation of a hydroponics facility as well as consultancy fees for the following projects: extending the Comair contract beyond the initial 1-year term; retaining consultancy services for the hydroponics project through the construction and early operations; and, assessing the ship-to-shore operations at the Pierhead and reviewing AIG's infrastructure. Finally, depreciation was set to increase due to replacement of assets over recent years.

Development Fund

The Development Fund for 2016/17 totalled £664,318 and comprised of capital projects such as installation of a fire and smoke detection system at the hospital; purchase of a new ambulance; refurbishment of Gannet Block accommodation units; replacement concrete mixer; replacement of moorings and fire hoses and the purchase of a refrigerated vehicle. In addition to this sum a further £1,125,000 was proposed for the Development Fund to fund the development of the waste management site.

The DoR concluded his budget presentation by giving an overview of the Medium Term Financial Strategy for the next four year period. Taking account of the following assumptions, a reduced income tax base due to a decline in population, a drop in revenue, a curtailed demand for offshore fishing licences the capacity for AIG to generate surplus funds in the medium term would prove challenging and limit future capital investment. DoR told members that that the current Business Levy which provided for fixed contributions from BCF members would be subject to renegotiation in 2017. It was also planned to extend Corporation Tax to all companies operating on Ascension (the rate would be reduced to bring it in line with the UK); there would also be provision for modest increases in alcohol and tobacco duty in 2017 onwards.

In summing up the DoR said that as operating margins become tighter, it was becoming difficult for AIG

to return a large surplus and this would limit the capacity of AIG to invest in the ageing infrastructure.

Councillors took a formal vote on the Ascension Island Appropriation Ordinance 2016/17 and all six councillors were in favour of recommending the ordinance to the Governor for enactment.

5. Legislation: Corporation Tax

The proposal for Corporation Tax had been introduced in Council at the previous Island Council meeting on 22 February and had been discussed at a subsequent informal meeting of Council. The proposal was to extend corporation tax to all companies operating in Ascension. Currently only one company pays corporation tax locally, however, the PricewaterhouseCooper Tax Review which was carried out in 2015 recommended that all local companies should be liable. This would provide a level playing field across all island employers and would also retain profits on island rather than go offshore. The proposal would be rolled out in two phases, with phase one extending to Interserve Defence Limited, Babcock International Group as well as Sure South Atlantic Limited who already pay local corporation tax. The tax would be effective from 1 April 2016 and would be set at 20% after which it would be reduced to 19% on 1 April 2017, which would be in line with the UK rate. In phase two the tax would be extended to all other companies operating on island; AIG would use the interim period to consult with these companies.

Councillors took a formal vote on the amended schedule, Income Tax Rates and Allowances (Ascension), of the Income Tax Ordinance and all six councillors were in favour of recommending the proposed rates to the Governor for enactment.

6. Biosecurity

This item was raised for information only at this stage. At a recent informal meeting, Simon O'Connor, a visiting Biosecurity consultant, made a presentation to Council on the risks of not having any biosecurity controls on Ascension. In August 2015 a biosecurity workshop was held on Ascension and this resulted in a RSPB funded project to assess the biosecurity needs of Ascension and to provide recommendations for action. The project identified that more than half of the containers inspected had live contamination, including invasive ants, poisonous spiders, molluscs and reptiles. The lack of biosecurity regulations could have a catastrophic impact on the environment if high risk species were introduced. The initial proposal was that the Conservation Department would consider the recommendations presented in the report, which would later lead to legislation being drafted and controls being put in place through enhanced customs regulations.

7. CEDAW (Convention on the Elimination of All Forms of Discrimination against Women)

The Solicitor General (SG) had provided Council with a memo detailing the background to CEDAW, which had been adopted in 1979 by the UN General Assembly. As well as defining what constitutes discrimination against women, CEDAW also sets an agenda for national action to end this discrimination. Council was being asked to support the intention to extend the convention; London felt that the time was right and discussions were on-going to identify resources and support for the process. SG said that those territories which had signed up to the Convention were legally bound to put its provisions into practice and to submit four-yearly reports on measures that they had taken to comply with the treaty obligations. The Acting Governor said that the SHG would also want to extend CEDAW along with Tristan da Cunha and there might be areas that all three islands could work together on. The Attorney General (AG) would be taking this forward.

All six councillors supported the extension but wanted to see what further support/resources the FCO might release to support the process.

Action: The Administrator and SG would work with FCO to see if there is support available and report back to the Council before formally agreeing extension.

8. Airlink Update

The Administrator gave an update on the inter-island air link service – the next step was to negotiate the contract with Comair. Simon Walker and the SG had met with Comair earlier in the year, since then Comair had provided written feedback on the proposed contract. It was anticipated that Comair would visit Ascension in early May to familiarise themselves with the facilities and procedures at the airfield and to liaise with ground service providers. The Administrator said that there three areas that were still outstanding, these included cabotage rights; use of Wideawake Airfield and the Wideawake Agreement. It was hoped these issues would be resolved by the beginning of May.

SHG had recently announced that Andrew Weir Shipping Management would be providing the sea freight service to St Helena and Ascension. The service would originate from South Africa and would be a monthly service to St Helena and would call at Ascension bi-monthly. The publication of the shipping schedule was good news.

9. Business Proposals

There were two business proposals before Council.

9.1. Ascension Island Adventures, owner Craig Hall

Mr Hall had been invited to Council to present his business proposal. Ascension Island Adventures was an eco-tourism company that would offer unique eco-tours to visitors and locals. Mr Hall told Council that he would be targeting conservationists, photographers, but would also be looking to offer the experience to locals with an interest in marine life. The business would operate from his residence, but Mr Hall planned to target clientele via a website and also on Facebook. As a former fisherman Mr Hall had gained an extensive knowledge of the marine life around Ascension and hoped to operate his business working with the Conservation Department. Council was told that Mr Hall's permit would still enable him to continue to fish.

All six councillors supported the proposal. Mr Hall would be issued with a business permit that would allow him to operate his business on Ascension.

9.2. Photography business, owner Kelly Leo

Miss Leo submitted a business application to operate a studio and portrait photography business from Muriel Lodge, Two Boats. Having seen Miss Leo's business application, Council was happy to support the business.

As a result of Council's support, Miss Leo would be issued with a business permit to enable her business to operate from Muriel Lodge.

10. DoE Project Update

The Director of Operations (DoOps), Steve Brown, had been invited to give an update to Council on a project proposal from the United States Department of Energy (DoE) to operate a mobile science facility on Ascension for a period of 18 months, as part of their Atmospheric Radiation Program (ARM). AIG would be providing support for the project, including initial site set up, accommodation and other services required for the project. The contract value was £547,824.25 and this included all related costs for the duration of the project.

In order to facilitate the project, the DoE had submitted a business application for Council's approval, which would provide for a Land Occupancy Permit for the East Crater site as well as accommodation in Georgetown. The Administrator said that the project was the culmination of a year of negotiation and the contract cost went some way to boosting the shortfalls currently expected in revenue.

All six councillors supported the project and the proposal from the DoE.

11. Council Committees

Continuation of the Post 2016 Access Committee

At the last formal meeting Council debated whether there was still a requirement for a Post 2016 Access Committee and it was now suggested that the committee be disbanded. Members agreed with this proposal and the SG said that he would check the formality of dissolving council committees.

Proposal to introduce a Tourism and Development Committee

Cllr Yon felt that this was committee that should be decided upon by the next Council and it was agreed that this would be put on hold until after the new Council is elected in October.

12. Appointment of Law Reform Commissioner

The SG explained to Council that the Order before them was to appoint a Law Reform Commissioner who would carry out a consolidation and revision of the laws for the territory. Council was told that John Wilson, a consultant and former Attorney General of Tuvalu and Montserrat, had already been appointed in this role; however, under section 3 of the Revised Edition of the Laws Ordinance, the appointment needed to be done by the Governor by Order. The last time that a law revision was carried out was in 2001 by Neil Adsett. The review in St Helena was being funded by the FCO, the SG said that he would check how it was being funded across the three islands within the territory.

The SG explained in a response to a query from Cllr Leo that the laws would not be changed; Cllr Leo's view was that the current laws were not in tune with UK Government obligations.

All six councillors present were in favour of recommending the Order to the Governor for enactment.

Action: SG would look into how the review would be funded in Ascension.

13. Paper: Hague Convention – Protection of cultural artefacts

The UK was intending to sign up to the 1954 Hague Convention for the Protection of Cultural Property and had extended an invitation to the overseas territories to ratify the convention at the same time as the UK. The Head of Cultural Property, Mr Pender, had written to the Administrator with the invitation and asked for a response by 4 April. The recommendation to Council was that Ascension would not ratify at this time as the Convention had limited applicability to Ascension.

All six councillors present agreed with recommendation.

Action: AIG/Council to respond to Mr Pender's letter by 4 April

14. Memo: Future of Ascension

The Administrator introduced the memorandum from Councillor Leo which he had laid before Council as a private members memorandum.

The Solicitor General (SG) said that following the last meeting he undertook to speak to Councillor Leo, but had not had the opportunity to do so before the meeting. He prefaced his comment by saying that Councillor Leo could still achieve his aim to reach consensus with his fellow councillors and to write to the Councils in St Helena and Tristan da Cunha. However, he wanted to make it clear that the memo was not a matter that the Ascension Island Government (AIG) was seeking advice on and no formal vote would be put by the Chair. As a councillor-led initiative, members were entitled to discuss the course of action that they wanted to take, but it was important to note that any agreement would not bind AIG. Councillors could choose to collectively or individually to write to these Councils, but it would not be a formal position of Government.

In his presentation, Councillor Leo made the following statement:

“The United Kingdom has maintained a powerful political position from where the UK Government can, at will, impose dictatorial controls and parameters on the Electorate of Ascension to largely maintain the status quo on Ascension. This dominance is in contradiction to the partnership values declared in the Territory’s Constitution. Prime Minister David Cameron declared in the 2012 White paper on the Overseas Territories: “This Government is ambitious for our Territories as we are ambitious for the United Kingdom. We want to see our communities flourish in partnership.

Taxation and the associated legislation were implemented on Ascension by the United Kingdom in April 2001; that was some eighteen months before the taxpayers were allowed representation. The standing tax legislation is purposely designed to allow for taxation without representation.

The United Kingdom allowed Democracy on Ascension in November 2002, but local elected representatives were only given an advisory role on the Island Council.

Ascension, St Helena and Tristan da Cunha is one Overseas Territory. Residents of the Territory have been living and working on Ascension for many, many years, and numerous children have been born on Ascension. Regardless, the United Kingdom has refused to grant the people of the Territory residency rights and property rights on Ascension because the population is not indigenous.

The United Kingdom and the United States of America are prominent members of the United Nations and therefore are duty-bound by sacred trust to uphold Chapter XI, Article 73 of the United Nations Charter. Both the United Kingdom and the United States of America are two major world powers, two major world economies and two modern advanced democracies. Yet two of the most powerful nations on the world stage are repressing development for democratic progress and political, social and economic advancement for the people of Ascension.

Despite concerted efforts, by elected representatives to help strengthen our economy and feeble democracy and to try shape the future of our community, the United States of America and the United Kingdom remains a dominant obstruction to achieving rights of self-determination and democratic progress for the people of Ascension.

Yes, elected members have been given the opportunity to present our proposals to the FCO and engage with the FCO on the future of Ascension. My biggest concern is that, once again, all the time and effort put in by the people’s elected representatives will ultimately be in vain and count for nothing, because the UK Government will simply dictate the final outcome and retain the status quo on Ascension.”

Councillor Leo finished by saying that he believed his memo was the first step in this new process to try to get the UK Government to take responsibility for their international obligations to the overseas territories and also to allow (Ascension) to move forward in partnership in line with 2012 White Paper on the Overseas Territories. Minister Duddridge had pointed out in his reply that the White Paper was not referring to Ascension in its own right but to the territory of St Helena, Ascension and Tristan da Cunha. Councillor Leo said that he would like to get the Governments of these territories to support the efforts of Ascension in achieving self-determination and political economic and social development.

The SG clarified that while the memo was not the formal business of the Ascension Island Government, Councillors were within their rights to sign up to the undertaking in Councillor Leo’s memo to write to the members of the other islands’ councils to get their commitment. In other words it was not AIG that would be writing to the Councils of St Helena and Tristan da Cunha or to the UK Government, it would be the Councillors writing independently.

Councillor Leo sought the views of his colleagues: Councillor Yon said that she was wondering which route to go through, as this was a plea from elected representatives rather than the administration, it might be better to go through UKOTA (United Kingdom Overseas Territories Association). By going down that route, councillors would reach more than representatives on St Helena and Tristan, but all of the elected representatives of the overseas territories. This might prove to be a more powerful tool to get the support of UKOTA members.

Councillor Leo said this was a very good suggestion and he felt that Ascension should do this regardless; however, as the Minister was linking the three islands as the one territory, he felt that it was important to first get the official support of the Governments of the three islands. This was just the first step – to get the support of the other two islands that make up the one territory. If the councillors then went to UKOTA or whatever other channel they chose, they will know that they had satisfied what the minister has requested and they will be acting as one combined territory going forward.

The Administrator said that there was a risk of not knowing how the other territories would respond. The SG said that he was unable to advise Councillor Leo on the thinking behind the Minister's comment when he referenced the one territory in the context of the White Paper. The SG confirmed that in light of the Minister's comments it was understandable why Councillor Leo was looking for the other Territory's support, however he confirmed again that any written request for support would need to come from the six elected representatives and not Government. SG also suggested that an alternative way to address the situation was to respond to the Minister's letter asking whether or not, if the Ascension Island Council had the support of the other Councils, the FCO position would change.

The Administrator said that he was waiting on some positive news on the future of Ascension from London, especially following Will Pryer's recent visit. He said that in January the only confirmed news on the future of Ascension from London was that work on the Pier would be prioritised. At that stage, the Minister had not been clear on what he wanted done on the future of Ascension. The Minister had subsequently said that significant work needed to be undertaken to identify the best long-term solution for the island, and to look at all possible models for Ascension. The Administrator said that he wanted to follow this up with London and was conscious that the Governor had not yet provided a reply to Councillor Leo's letter (dated 26 November) as he was waiting on some more clarity from London. He said that he would propose to the Acting Governor that he writes back to Councillor Leo with this new information from London.

In summary, the Administrator said that it would appear that the future of Ascension work was progressing again and that London wanted to consult the councillors and other people (employers) on Ascension and to consider all of the options on the table. This was a positive development which the Administrator had just become aware of and would form part of the reply from the Acting Governor. The Administrator added that the work on the Pier would go ahead as it was urgently needed and would not wait on the outcome of these discussions.

Councillor Leo thanked the Administrator for the update and was quite satisfied with the new information. The Administrator said that the Governor would reply; what was not clear was what would happen next, but hopefully London would provide some advice on this.

Councillor Yon asked whether there were time constraints on this work as Ascension has been run on this system for 14 years and a lot of work was carried out before the current system and she would not like to see there being another 14 years before anything is done and a decision taken. It would be nice to know that there were some time targets to achieve certain things. The Administrator said that he would seek advice.

Councillor Yon said that it was all coming to a head, and the situation was a bit more pressing if Ascension wanted development to continue.

15. Any Other Business

15.1. By-Election in St Helena/Ascension

The Acting Governor told Council that Mike Olsson had been elected to the St Helena Legislative Council in the recent by-election. The turnout at the polling stations had been quite poor.

The response to the by-election in Ascension had also been poor and there had been no candidates for nomination; although a few informal enquiries had been received. Council was asked their

view on whether there should be another attempt to hold a by-election or to wait until the General Election later in the year. Council was of the view to wait until the General Election. The Administrator said that he was open to Councillors' suggestions about how to encourage participation in the election.

15.2. JMC (Cllr Yon)

Cllr Yon presented Council with a report on the JMC 2015 which she attended in December, along with Cllr Ellick and the Administrator, Marc Holland. Cllr Yon's full report is presented in Annex A. There were a few points from the JMC that Cllr Yon highlighted. She noted that many of the ministers did not come to the plenary sessions, despite the fact that it would be useful to have them attend.

In his response to Cllr Yon's report, Cllr Leo said that he found the report of the conference discouraging, especially taking into consideration the work that went into preparing for JMC. The Administrator thanked Cllr Yon and Cllr Ellick for their input and feedback.

15.3. Cost of Grievance Procedures (Cllr John)

Cllr John asked whether Council could be advised of the cost of current grievance procedures which had been incurred by AIG. One case was still on-going and SG told Council that AIG was unable to provide any figures or comment on that case. Cllr John questioned why we (AIG) were being held potentially liable for what was a failing of the FCO representative (the decision of the then Administrator) to manage his direct report. Cllr John was of the view that as an FCO employee the costs should be borne by the FCO and not AIG. SG advised that the Administrator was the appointed (by the Governor) head of the Ascension Island Government, as such his actions bound the Government. SG further advised that where this results in litigation or compromise agreements it is normal that AIG bear those costs.

The Acting Governor thanked all for their attendance and input into the morning's discussions.

The meeting finished at 12:35pm.

Nicola Dillon
Clerk of Council

Annex A

Feedback from JMC 2015

The JMC offers an annual opportunity for Overseas Territories Leaders and representatives to meet with each other and with ministerial heads of UK Government Departments.

There are 3 core elements to the JMC. The first is a Ministerial meeting of UKOTA, This is a singular opportunity for the OT leaders to meet and discuss, at a higher level, common issues. Fisheries vs MPA was high on the agenda this year as a result of the Conservative Party Manifesto and Ascension was invited to take the lead on related discussions. Cllr Yon highlighted the problems we had faced due to pressures from NGOs and UK Government and the subsequent instruction. This caused quite some concern amongst the other OTs who are obviously afraid of such high handed interference in their own affairs.

The OT representatives also met the Foreign Affairs Committee and the Environmental Audit Committee. Again in the latter meeting we are invited to lead on the “Blue Belt” topic and were roundly supported by the other OTs.

The JMC proper then takes place with a series of plenary sessions on pre-agreed topics. These range from environmental matters, pensions, education and health to security and child safeguarding. Cllr Ellick was able to update the Council regarding Child Safeguarding on Ascension and to relay our confidence that we are doing all possible within our limited resources to improve our capabilities in this area. Most of the other topics do not directly relate to Ascension Island but there were areas where we could support the other OTs particularly our sister islands of St Helena and Tristan da Cunha. We share common issues with access related problems and communication problems (cost and speed of internet etc.), infrastructure and development.

Some discussion was had on the possibility of the UK leaving the EU. This could be very detrimental to a number of the OTs who have favourable trade agreements by virtue of being an OT and the UK having EU membership. It is therefore somewhat unnerving that our Minister (Mr Duddridge) has since publicly come out on the “Exit” side.

We also took the opportunity to meet with FCO representatives (Mairi McKinsty and Joanna Fitch) to discuss how the FCO’s promise to look into the future of Ascension was progressing. The answer, at that time, was not very far. Having Joanna come to Ascension as Administrator, albeit for a short time, was useful though in highlighting or reinforcing some of the issues we raised. Particularly to do with access, communications, infrastructure etc.

Finally what should be the main reason for attending the JMC was the opportunity to have a bi-lateral meeting with the OT Minister. This is the only time during the year that Councillors can have a meeting with the Minister that covers topics of direct and immediate relevance to Ascension Island.

Normally this meeting is scheduled to last 30 minutes and the Minister is pre-advised and briefed on the topics to be discussed. Obviously this time the fisheries debacle was the hot topic with the potential disastrous consequences to our ability to raise revenue. Unfortunately Minister Duddridge seemed distracted and unable to engage in any of the topics raised and, on more than one occasion had to look to Alex Cameron for explanation. It was obvious he had not prepared for the meeting. He attempted to rush through the meeting without any meaningful discussion or debate. He tried to bring the meeting to a close in less than 15 minutes stating he was busy and other things to prepare for. Both of us were left unimpressed with his rudeness and dismissive attitude. We have no confidence that he will bring any meaningful contribution

to any matter concerning Ascension Island.

Once again the Communiqué was not agreed within the JMC proper due to disagreements over the wording of text relating to financial regulations within the OTs. In fact the JMC seemed to simple fizzle out without any formal acceptance and agreement of the Communiqué.

The “final” version published by the FCO can be found at

<https://www.gov.uk/government/publications/overseas-territories-joint-ministerial-council-2015-communicue>

Councillor Caroline Yon, MBE

Councillor Jacqui Ellick, MBE