

MINUTES OF THE ASCENSION ISLAND COUNCIL (AIC)

MEETING HELD IN THE COURT HOUSE,

Thursday, 23 March 2017 at 16:00hrs

Present: (by telephone) HE the Acting Governor Judi Leon
HH Administrator Marc Holland
Walter Scott, Acting Attorney General (SG)
Jamie Manson, Director of Resources (DoR)
Councillor Samantha Arms-Lawrence
Councillor Marie-Anne Dennis
Councillor Jacqui Ellick
Councillor Nicholas John

In attendance: Nicola Dillon, Clerk of Council

Apologies: Councillor Kitty George

1. Welcome

The Administrator welcomed all to the meeting. The main purpose of the meeting was to approve a budget for the next year. The Acting Governor, Judi Leon, was pleased to be able to attend via telephone.

2. Confirmation of Minutes: AIC meeting 7 December 2016

The minutes of the AIC meeting which was held on 7 December 2016 were formally adopted and would be published on the AIG website (www.ascension-island.gov.ac).

3. Matters Arising/Actions from AIC meeting 7 December 2016

3.1. Dew Pond Boardwalk

Although she was unable to attend, Cllr George submitted her comments via email ahead of the meeting. At the last formal meeting Council was informed that Blue Marine Foundation had donated £9K to replace the Dew Pond boardwalk. Cllr George asked whether work had begun on this project. The Director of Resources responded and confirmed that the funds were in place for this project, but work would not start until April.

4. Ascension Island Appropriation Ordinance, 2017

The Director of Resources (DoR) prefaced his introduction of the 2017/18 budget by thanking the Finance Team and all who were involved in setting the budget. The budget before Council proposed an expenditure of £7.512m, with a planned generation of revenue of £7.651m yielding a modest surplus of £138k. The budget also included a further appropriation of £886k, which would be funded from reserves.

The DoR referred to the difficult and challenging times that AIG and Ascension were facing with limited revenue streams and some significant uncertainty over the next few years with the runway resurfacing works and the decommissioning of RMS affecting revenue through the reduction in entry permit fees, commission from the sale of airbridge and RMS fares, taxation and marine services.

In the context of this uncertainty, the current year's budget which predicted similar generation of revenue was expected to show a deficit due to a shortfall on tax and some other operations which generate revenue. Early predictions showed that the FY2016/17 budget would be around £250K - £300K in the red; this would be confirmed around July when the budget is audited.

The DoR gave a detailed explanation of the budget envelope. The revenue forecast for 2017/18 was similar to the budgeted revenue for 2016/17. Due to a contraction of the tax base caused by a reduction in population, revenue from taxation was expected to decrease slightly; however, most other revenue streams were expected to remain stable, including the Business Levy, Customs Duties, and income derived from shipping and cargo handling fees due to the certainty of the RMS which was currently scheduled to remain operational until February 2018.

Operating costs increased by 0.2% and planned expenditure saw an increase in staffing costs as vacant posts were filled and three additional posts added. A 3% increase in the cost of utilities was also factored into the budget. Other areas where there were potential cost pressures were travel costs in relation to recruitment and repatriation of staff, additional costs for the running of the hydroponics facility and an increase in depreciation due to planned investment in buildings and replacement of fixed assets.

The final part of the budget dealt with the Development Fund, and funds of £886,024 were being appropriated from reserves to cover specific projects such as replacing the Ascension-wide radio communication system for emergency use; replacement of the older vehicles in the AIG fleet; refurbishment of staff accommodation in Georgetown and Two Boats; replacement of flooring in the Hospital theatre; replacement forklift; and improvements to the hydroponics site for greater efficiency. This funding also included refurbishment of Roberts Block, which was part of the transition between Solomon's and Seafish Chandlery as well as the demolition of the old NASA building for health and safety reasons. The Administrator questioned whether the building should be demolished, given its history, although it currently posed a health and safety risk. Cllr John suggested that the intention to demolish the building was publicised to give the public and interested parties the opportunity to give their views or come up with ideas for its use.

DoR explained that the appropriation of Development Fund expenditure from the Reserves still left a balance of £12.7m, which fell within an acceptable range for managing reserves.

Cllr John responded to the presentation of the budget by thanking the DoR and his team for the hard work that had gone into the budget. He said that the generation of a modest surplus and a reduction in the revenue highlighted the need for an improvement in revenue streams for the coming year and to identify where services could be more efficient. It was also an opportunity to consolidate the position of the MPA. Cllr John suggested being open to seeking agreements to overcome discrimination with respect to certain nationalities¹ which would bolster a potentially better tourist industry. In respect of efficiency, Cllr John questioned the need for the AIG senior officers to be provided with vehicles as part of their contract as there were enough incentives to entice the right level of expertise. He asked for openness and transparency and a firmer management of the housing estate policy to ensure that the AIG estate and vehicle provisions were respected and used responsibly to improve efficiencies. Cllr John welcomed the inclusion of £10K for community grants which would give flexibility to the public to make small improvements to the community; in elaborating he spoke of the plans for the Georgetown Tennis Courts, which would either have a facelift or be turned into a multi-use games facility – this was still to be costed and decided upon. Another welcome initiative was the decision by

¹ This is a reference to the 13 countries for which AIG does not currently issue entry permits on security grounds. See <http://www.ascension-island.gov.ac/services/entry-permits/>

AIG to find a solution to managing the sheep in Two Boats; he felt this was a responsibility of AIG who should take the lead in this issue.

In his response the DoR reassured Councillors that the budget setting process was fairly stringent and was scrutinised closely before being presented to Finance Committee for further scrutiny, and then finally to the full Council. On the issue of efficiency, DoR said that AIG would be looking more closely at efficiency and productivity within the workforce.

The Administrator told Council that he would respond soon on Cllr John's points about vehicle usage and the AIG housing policy. In relation to the impact on tourism caused by the banning of certain nationalities from the island the Administrator explained that this was linked to a ban by the MOD, which restricted certain nationalities from using the airbridge, which was the main route to and from the island. These nationalities had been chosen on UK national security grounds, especially as there were sensitive UK and US sites on the island. Lifting the ban on these nationalities would mean increased security and higher costs to install and maintain that security.

The Acting Governor thanked DoR for the presentation of the budget and acknowledged the hard work and scrutiny which had gone into the process.

All four councillors present voted in favour of the enactment of the Ascension Island Appropriation Ordinance 2017.

Cllr George indicated her support of the Ordinance in writing.

Medium Term Financial Strategy

In his final presentation on the 2017/18 budget, DoR presented the Medium Term Financial Strategy (MTFS), which was a rolling 4-year forecast. This year's MTFS presented AIG with significant uncertainty for the next 3 years due to proposed work to resurface the runway at Wideawake Airfield from 2018 onwards. The work planned was expected to affect the next two financial years, 2018/19 and 2019/20 and would mean a reduction in revenue streams in the following areas: entry permits; commission received from the sale of airbridge and RMS St Helena fares; taxation and marine services.

By the same token in respect of expenditure, AIG would still be required to provide and deliver the same public services. In addition the income tax base would continue to reduce due to the declining population; corporation tax would reduce to 19% in line with the UK; the current Business Levy agreement would expire at the end of this FY and would be renegotiated during 2017. While there would be modest increases in alcohol and tobacco duty, volumes might reduce slightly in line with population changes. Income from fishing licences was not expected during this period and generally revenue was expected to fall as a result of population changes and a less-frequent shipping service between Ascension and St Helena.

The financial outlook for these years meant that the years 2018/19 to 2020/21 would record a deficit. Despite these financial pressures, DoR remained reasonably confident that the balance of the reserves would remain within an acceptable range. While the forecast for the next few years was bleak, the figures presented a realistic picture of what lay ahead.

The Administrator thanked DoR for his presentation and said that AIG would do a reader-friendly version for publication in the Islander.

5. Legislation:

5.1. St Helena Law (Application)(Amendment) Ordinance

In presenting the St Helena Law (Application)(Amendment) Ordinance to Council, the Acting Attorney General confirmed that the ordinance had the support of Angelo Berbotto, the substantive Attorney General who was currently in the UK. The ordinance was an amendment to the St Helena Law (Application) Ordinance, and **prevented the automatic application of laws enacted in St Helena after 1 April 2017**. This would mean that only laws which were applicable to Ascension Island would be enacted after this date. In Section 2, the Ordinance states that the law of St Helena, unless it is inconsistent with Ascension Law, “shall apply to Ascension only in so far as it is applicable and suitable to local circumstances, and subject to such modifications, adaptations, qualifications, and exemptions as local circumstances render necessary”.

The Administrator recommended the Ordinance to be enacted (Cllr George had indicated her support in writing).

All four councillors who were present took a vote and were in favour of enacting the St Helena Law (Application)(Amendment) Ordinance.

5.2. St Helena Law (Employment Rights Ordinance)(Dis-Application) Order

Under the St Helena Law (Application) Ordinance and in light of the work being done to update Ascension Employment legislation the St Helena Law (Employment Rights Ordinance)(Dis-Application) Order provided certainty that the St Helena Employment Rights Ordinance would not be applied to Ascension.

The Administrator recommended the Ordinance for enacting and as before Cllr George indicated her support in writing.

All four councillors who were present took a vote and were in favour of enacting the St Helena Law (Employment Rights Ordinance)(Dis-Application) Ordinance.

5.3. Ratification of the enactment of the Entry Control (Ascension)(Amendment) Ordinance 2017

On 10 February gave advice to the Governor to enact the Entry Control (Ascension)(Amendment) Ordinance which allowed the Administrator to delegate his powers to refuse or grant entry permits to the Chief Immigration Officer (CIO). A new CIO had recently been appointed who was a UK trained immigration specialist and as well as taking on these powers, the CIO would review the Entry Control procedures with a view to modernising them.

All four councillors ratified the enactment of the Entry Control (Ascension)(Amendment) Ordinance, which came into effect on 9 March 2017.

Cllr George indicated her support in writing.

5.4. Entry Control (Ascension) Ordinance 2007: Revision of Entry Permit fees 2017

This paper sought to extend the waiver from the income tax liability for business visits from 7 days to 14 days. In addition it proposed increasing the fee for the Short-Term Business Visitor

category to £65, which was £30 higher than the fee for a Long-Term Business Visitor permit. The proposed fee would cover the short-fall of the tax-revenue which might have been collected.

All four councillors were in favour of the increased fee for the Short-Term Business Visitor category.

Cllr George indicated her support in writing.

6. Business Applications

6.1. Ascension Island Bikes and Leisure (Crater Rock Bicycle Rentals)

Kevin Hudson submitted an application to rent bicycles, camping and swimming equipment as well as offering a tour guiding service. In addition he would provide maintenance and repair services of bicycles.

While Council was supportive of the application, it was suggested that a condition be attached to ensure that the business was covered by Liability Insurance. It was also stipulated that turtle or land-crab tours were conducted through the AIG Conservation Department and any tours would be restricted within protected conservation areas such as the National Park and other designated protected areas.

Decision: Council approved the application subject to the above conditions.²

6.2. KP Appliances

An application had been submitted by Kurt Peters to open a shop selling electronic goods. The applicant hoped to fill a gap in the market left by a previous business and would look to provide a range of good quality electrical goods. Council was very supportive of this application and recognised that there was a demand within the community to be able to purchase quality electrical goods locally. Cllr John commented that small business should be given help and guidance to secure suitable property to operate from. Mr Peters, who was off-island at the time, was interested in operating out of a property in Two Boats, but had still to identify suitable premises.

Decision: Council approved the application subject to suitable premises being available.

6.3. The Movie Shack

The proprietor of the Movie Shack business, Jolene Corney, had written in to seek approval to extend the remit of her Land Occupancy Permit (LOP) to include the sale of home accessories. In a written comment, Cllr George supported Ms Corney and thought it wise to look at what was missing in the market and to tap into it.

Decision: Council approved the amendment to the Movie Shack LOP to include the sale of home accessories.

7. Employment Ordinance Consultation

² Following the re-routing of the airbridge, Mr Hudson has advised (18 April) that he will suspend his application temporarily.

The Administrator gave the background to the Employment Ordinance Consultation. The team had been working on this for the past 6-7 months and had had several meetings with the Council and Employers. A consultation leaflet had been drafted and the next step was to go out to the public to seek their comments. The team would then go back to the Employers with an aim to finalise the ordinance in May/June³. Council was invited to put forward questions which could be incorporated into the consultation document, or in a separate document, as part of the public consultation process.

The Acting AG said that if Councillors wished to meet with constituents as part of the consultation process he and his colleagues would be happy to facilitate this and to support them. He encouraged members to think about putting together a separate Island Council document which would seek views from the public and would help to inform the consultation process. The Acting AG was happy to assist Council in putting this together. **Cllr John suggested nominating a champion from the Island Council to drive this forward and Cllr Ellick was nominated and accepted.**

In her absence, Cllr Kitty George submitted written comments and noted that the booklet did not mention anything about terminating contracts and extended/long-term medical costs. She would like to see this included as it would be a bone of contention with employees. She agreed that councillors should put together some questions, especially in relation to ones which had already been asked such as fixed term contracts – councillors were not happy with the response received. She was happy with the planned public consultation process and encouraged for it to be publicised widely to ensure that as many people as possible have their say.

Action: Councillors to submit a draft document on the Employment Law consultation

8. Policing Review: St Helena, Ascension and Tristan da Cunha

At the recent informal meeting of Council⁴ the outgoing Chief of Police, Trevor Botting, gave a presentation of his findings from a review of Policing within the territory, which he completed on 28 February. Mr Botting visited all three islands within the territory and spoke to various stakeholders. The review was not yet public, however, as 11 of 36 recommendations were specific to Ascension, the AIG would formally respond to the report during the next few weeks.

The recommendations covered a range of issues, including looking at the structure of the Ascension Island Police detachment; the role and line management of the senior Police Officer (Police Inspector); terms and conditions for staff and looking at the appointment of a dedicated Emergency Planner for Ascension. Some of the recommendations, particularly in respect of policing plans and looking at priorities, were already underway.

A short discussion ensued about the recommendations and Councillors were invited to send their comments back by the beginning of May.

Action: Comments on the review to be sent to DoR by the beginning of May

9. Pier & infrastructure review

Two consultancy teams from White Young Green (WYG) were on Ascension from 8 – 17 March 2017. The teams carried out a full programme of surveys and meetings on the island's infrastructure and had sent a first draft of their report; the final report was expected in early April. During their visit

³ The consultation period has been extended at the request of one of the employers and the FCO.

⁴ Informal Island Council meeting, Monday, 20 March

members of the Island Council met with the teams during a wash-up meeting at which a list of five top priorities was identified. These included:

- Solomons Fuel Station
- Two Boats Fire Hydrants
- Georgetown and Two Boats sewage works
- Electrical installations
- The hospital

The final report would be made available to Council when it is received. The item would also be discussed when the Governor visited.⁵

10. Fuel – Solomons Fuel Station

While the WYG consultancy teams were on island the team, with permission from Solomons, undertook an inspection of the Fuel Station at One Boat. The Fuel Station was included in the WYG infrastructure review as a potential contingent liability, due to the risk that Solomons might withdraw from fuel activities in the future given the uncertainty of diesel and petrol supplies. The inspection was carried out on 15 February and the WYG team concluded that the poor condition of the facility posed a serious health and safety risk and should be closed while emergency remedial works were carried out.

Solomons were initially issued with an Improvement Notice following which they submitted a draft Action Plan to remedy the faults highlighted in the Notice. A Prohibition Notice was later issued as there was increased risk when the petrol tank became empty. A local contractor Cape was asked by Solomons to inspect the Fuel Station and to submit their findings to Solomons, however, to date AIG had not received a copy of their report and no remedial work has been undertaken. AIG has offered assistance to Solomons with remedial works and assisted initially in isolating the electrics and testing earthing cables. The Fuel Station remains closed while Solomons look at a plan to make the area safe. Alternative fuel supply arrangements have been made via AIG and the two military bases, but these were not long-term solutions.

The Administrator told Councillors that there would be quite big questions to look at over the coming months in respect of the future of fuel supply on the island. WYG have been asked for advice on various issues, including how to provide a supply of clean diesel for Ascension. With regards the supply of petrol, it has been well-publicised that petrol would be phased out by 2020 (or sooner), but this will still be unwelcome when it becomes a reality.

Cllr John asked whether Solomons were thinking about investing in the property, as they did not own the property it could be quite an expensive undertaking. The Administrator agreed that raising the standards of the Refuelling Station to a modern safe standard, against which it would be assessed, would prove quite costly and would be for a very small number of people. The wider issue of how to encourage investment without property rights was one that the Administrator would be raising at a senior level in London.

The Administrator confirmed that whatever the outcome for the fuel situation, there will be some regulations put in place. This will have an impact on the future of the supply of fuel as the additional costs of providing for these regulations will mean that the business will not be as profitable. In the meantime, Solomons were waiting for an explosives expert to make the petrol tanks safe

⁵ The Governor was originally scheduled to visit 11-13 May, but her visit was cancelled due to access issues.

Cllr John suggested that the public were made aware that petrol supplies could be phased out sooner than 2020. There were many factors to consider before any announcement could be made in respect of the supply of petrol and there would have to be an exit strategy. However, this was not in AIG's control and there were other stakeholders, including Solomons, who needed to make their future positions clear.⁶ In the meantime alternative fuel supply arrangements would remain in place for the immediate future.

11. Transition of Georgetown Store to Seafish Chandlery Ltd

Seafish Chandlery officially took over the business of the Georgetown Store on 22 March, although they arrived on 17 February to begin the handover process. The shop was currently closed for refurbishment and was scheduled to open on 6 April. In the meantime Seafish was currently operating a temporary store from the former Turtle Nest shop in the Exiles building.

To support the Store operations, Seafish was using a part of the AIG Central Store, as well as the existing shop premises and stores. The company would be investing £280K into upgrading the shop and the refurbishment work would be done in three phases. AIG had agreed, with Council's approval in December 2016, to underwrite 80% of this sum over a 10 year period.

In a written submission from Cllr George, she raised a question on behalf of constituents about the refurbishment work being done on staff accommodation for the Chandlery staff; was AIG paying for the work and why? The DoR told Council that AIG was paying for the work, which was integral to the investment made by Seafish and it helped maintain the value of the AIG estate.

12. Sheep in Two Boats Village

Council was presented with a paper looking at the issue of Sheep in Two Boats Village. The paper gave two options to deal with the problem, i) to repair the fence in the short-term with a longer-term aim to replace the fence; ii) to carry out a full or partial cull of the sheep on island.

Repairing the fence would be supported by further sheep drives to remove the sheep from the village. Residents would also be discouraged from feeding and looking after sheep. While this option might not guarantee a sheep-free environment, this seemed to be the most proportionate response to the problem. The second option to do a partial or full cull would allow for testing of the carcasses to determine potential diseases and health risks.

The decision of Council was to go for option i), which was to repair the fence with a longer aim to replace it.

13. Any Other Business

13.1. Waste (Cllr George in absentia)

Cllr George commended the Waste Management Project Manager (WMPM), Mike Haworth, and his team for their efforts in modernising and developing a waste management strategy for Ascension. Cllr George asked whether it was possible to revise the policy decision to close permanently the site and to have a time where the public could have access to for a few hours a week⁷.

⁶ On 24 April, Solomons published a notice informing the public that they would not be resuming operations at the Refuelling Station and would be decommissioning the petrol tanks as soon as possible.

⁷ The site is due to open at the end of June 2017.

Action: Cllr George's comments would be sent to the WMPM.

13.2. Turtle Ponds (Cllr Ellick)

Cllr Ellick asked for an update on the Turtle Pond renovation as £13K had been donated by the NGOs to repair the ponds, which were deteriorating quite quickly. Work had not yet started; Council noted that to repair the ponds to a high standard could cost £1000's. The Director for Conservation and Fisheries, Dr Judith Brown, would be asked to provide Council with a formal response to this question.

Action: to follow up with the Director of Conservation and Fisheries

13.3. Bakery (Cllr George in absentia)

Cllr George raised the issue of the Bakery and noted that during a recent informal meeting it was mentioned that Chandlery Mini Market had been approached to see if they could use the ovens at the old Bakery. There had previously been an expression of interest from Mr & Mrs Allan Arms to use the Bakery, and Cllr George said that it would be courteous for the applicants to be contacted and given first refusal on whether they intended to utilise the Bakery and when. Cllr George noted that AIG had made an investment into the Bakery by renewing the ovens.

Action: to write to Mr & Mrs Arms about their business application to reopen the Bakery

13.4. Air Link (Cllr Ellick)

Cllr Ellick asked if SHG could give an update on the progress of the air link. The Administrator said that the tender process was underway and he was limited in what he was able to tell Councillors. The Acting Governor said that SHG was in the process of updating the press lines on the SHG website and AIG/Council will be notified when this was done. Cllr John asked about what happens after the runway closes for the duration of the runway work, assuming that the RMS will be off-line by then. He also wanted to know whether the bidders for the airlink tender were aware that the runway would be closed. The Administrator said that they were still waiting on more details about this work, but there was no definitive answer at the moment. It was hoped that there would be alternatives in place. The Administrator confirmed that the runway closure would be brought to the attention of all parties involved in the bidding process.

There was no further business and the meeting ended at 18.35hrs.

Nicola Dillon
Clerk of Council