



28th June 2018

To: Miss Nicola Essex, Mr Cyril George, Mr Robert Ellick, Mrs Julie Thomas, Mr Earl Henry, and Mr Jeffrey Ellick.

Thank you for your letter dated 24th June 2018 concerning the proposed increase in utilities tariffs by Connect Saint Helena Limited, hereafter referred to as Connect, and for bringing your concerns to the attention of the Elected Members.

We would like to take this opportunity to address the points you have raised in your letter.

- Connect is a commercially operated private sector company, which is responsible for water, electricity and waste water disposal services to all of St Helena. Connect therefore sets their own prices for such services, which includes water prices and this is not the remit of St Helena Government. Elected Members do not have political oversight of Connect, and therefore have no authority to place conditions upon the Company. The only decision which Elected Members can make, is in relation to the level of subsidy paid to Connect annually and this is done through the budget process.
- St Helena Government's responsibility is to make sure any price increases by Connect are justifiable. It does this by requiring, by law, that the Utilities Regulatory Authority reviews any proposed price increases.
- The price increase is 40p per week for 15 cubic metres (15, 000 litres or 3299.54 gallons) which is assessed as the minimum reasonable water requirement for an average household per quarter. However, many users use more. Based upon average use by customers, the price increase for a domestic customer is 51p per week (£6.63 per quarter) for water and 23p per week (£3.00 per quarter) for sewage.
- The Utilities Regulatory Authority (which is headed by the Chief Magistrate) has **not yet** reviewed the proposed price increases.
- We the Elected Members of Legislative Council saw the proposals by Connect and recognising the current difficulties in the community particularly amongst the most vulnerable, decided, in principle, to set aside £108,000 in this financial year in the Government budget to cushion the effects of the increase for all members of society. This figure which is in addition to the current SHG subsidy to Connect of £595,000, would meet half of the planned increase. In addition, the Minimum Income Standard will be reviewed and then adjusted accordingly and this will mean an increase for those people receiving Income Related Benefit (IRB) and the Basic Island Pension

(BIP). The Benefits Office is open to anybody wishing to find out whether they are eligible for IRB or BIP, Connect also has a social fund for those who have difficulty in meeting payments.

- An independent review of Connect is already planned in response to the Motion tabled by Councillor Henry and unanimously support by all Elected Members. This needs to be carried out in depth and carefully. The findings will be discussed by St Helena Government, Legislative Council and Connect. We expect the review to be completed during this financial year, and will share it with the public.

We welcome the input of the public to this issue. Individuals are encouraged to write to the Utilities Regulatory Authority with evidence of the impact of the proposed increase on their household or business. Please would you play your part by encouraging your followers to send comments marked for the attention of Yvonne Williams to The Utilities Regulatory Authority, The Castle, Jamestown, or by email to Yvonne.williams@sainthelena.gov.sh by 4pm on Saturday 30 June 2018.

Once the Regulator has reviewed the proposal, a final decision will be made regarding allocation of the earmarked £108,000 to cushion the impact of any increase. Allocating £108,000 in this way will inevitably mean there will be less for another part of government spending. However the public should be reassured that the economic difficulties of everyone, particularly the most vulnerable in our society, is a key priority for us.

Yours sincerely

Councillor Clint Beard
Councillor Gavin Ellick
Councillor Corinda Essex
Councillor Anthony Green
Councillor Lawson Henry
Councillor Kylie Hercules
Councillor Brian Isaac
Councillor Cyril Leo
Councillor Christine Scipio O'Dean
Councillor Derek Thomas
Councillor Russell Yon

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