

**ST. HELENA**  
**LEGISLATIVE COUNCIL**

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**THE PRESIDENT**

The Honourable John Gilbert Cranfield

**EX-OFFICIO MEMBERS**

The Honourable Chief Secretary	-	Mrs Susan O'Bey
The Honourable Financial Secretary	-	Mr Dax Richards
The Honourable Attorney General	-	Mr Allen Cansick

**ELECTED MEMBERS**

The Honourable Clint Richard Beard  
The Honourable Cruyff Gerard Buckley  
The Honourable Gavin George Ellick  
The Honourable Jeffrey Robert Ellick  
The Honourable Corinda Sebastiana Stuart Essex  
The Honourable Anthony Arthur Green  
The Honourable Lawson Arthur Henry  
The Honourable Brian William Isaac  
The Honourable Cyril Kenneth Leo  
The Honourable Christine Lilian Scipio  
The Honourable Derek Franklin Thomas  
The Honourable Russell Keith Yon

**CLERK OF COUNCILS**

Mrs Connie Johnson

## PROCEEDINGS OF THE LEGISLATIVE COUNCIL

Monday, 29<sup>th</sup> June, 2020

The Council met at 10.00 am  
in the Council Chamber, Jamestown

(The Speaker in the Chair)

### ORDER OF THE DAY

**1. FORMAL ENTRY OF THE PRESIDENT**

**2. PRAYERS**  
(Deacon Jonathan Green)

**3. ADDRESS BY THE PRESIDENT**

Good morning, Honourable Members, ladies and gentlemen and our radio listeners and welcome to our second sitting of the sixteenth meeting of Legislative Council. My sincere thanks once again are extended to Deacon Jonathan for giving us the benefit of prayer, and, Honourable Members, the business before this House today is one Sessional Paper, resumed debate on the Appropriation Bill 2020, a Motion for debate and the customary Adjournment Debate. I would like once again to thank the Honourable Financial Secretary for his most informative Budget Speech, which Honourable Members will now be given the opportunity to speak to. I wish you all well in your important deliberations on the Appropriation Bill, Honourable Members, and I now call on the Clerk to announce the next item of business, please.

**4. PAPERS**

*SP 32/2020 – The Honourable Financial Secretary.*

The Speaker –  
The Honourable Financial Secretary?

The Hon. Dax Richards –  
Mr Speaker, I beg to present Sessional Paper 32/2020 entitled Government of St Helena - Loan balances recoverable by the St Helena Government as at 31 March 2019.

**Ordered to lie on the table.**

The Speaker –  
Thank you.

5.

## MOTIONS

*Motion No. 1 – The Honourable Financial Secretary.*

### Resumed Debate

## THE APPROPRIATION BILL, 2020

The Speaker –

Honourable Members, we're now in Resumed Debate on the Appropriation Bill and I put the question that the Appropriation Bill, 2020 be approved in principle and referred to a Committee of the whole Council. Honourable Members, the Motion is now open for debate. The Honourable Lawson Henry?

The Hon. Lawson Henry –

Thank you, Mr Speaker. Mr Speaker, Honourable Members, I rise in support of this Motion, a Bill for an Ordinance, the Appropriation Ordinance, 2020 and would like to thank and congratulate the Financial Secretary on his Budget Speech. I would also like to thank Her Majesty's Government for the support given to us in the final financial settlement for our 2020/2021 budget. Whilst I would have liked to have seen an inflationary increase in our budget allocation awarded to reflect the economic climate we face on island this was not to be and we are therefore faced with a flat line budget. This is compounded by the world crisis of the Coronavirus Covid-19 pandemic. Whilst we have been very fortunate up to now to stem the virus getting to the island, we have, nonetheless, certainly felt the consequential impacts on our economy and, in particular, as has been highlighted, in our tourism and hospitality sectors. However, these impacts have been felt equally across our whole economy. After the decision to close the airport was made at the end of March to protect the island from the Covid-19 threat, SHG and ESH were able to roll out very quickly a financial support package in support of the sharp downturn in our economy to support key sectors. Work is ongoing, I'm pleased to say, looking into how the support package schemes can be extended. This could not have been possible if we had not received an additional £2.5m from Her Majesty's Government to enable us to do so. I am grateful to Her Majesty's Government for the additional support given to the island to allow us to deal with the impacts of Covid-19. I must also pay tribute to the way our people responded, in particular, the construction sector in respect of their support given to the refurbishment of Bradley's Camp as a hospital and quarantine station. It really did show the community spirit in our people. I also pay tribute to all those staff, all those officers and staff in SHG and those from our state-owned entities who likewise responded to the effort in making the island ready should the virus reach us. It was through these efforts and the early strategic decisions taken by SHG to stop commercial flights and close the port that have played a huge part in keeping the virus from getting to the island.

I share the Financial Secretary's outlook on the economy over the last year, but as he has pointed out, there have been some successes and we should not forget these. I would make mention of two projects which have the potential to be future game changers for the island, these being the fibre optic cable and the signing of the contract with PASH Global, the Renewable Energy Project. The Economic Development Committee has a busy work schedule in the year ahead in relation to the work needed in terms of the policy and legislative reforms in the preparation for the renewal of the Communications Licence. The Committee has recently

endorsed a new draft policy for Communications network and services that will go out for public consultation over the next six weeks. This policy, once endorsed by Executive Council, will be the road map to setting up a Regulatory Authority and a much more modern Communications legislation in readiness for the new Communications Licence. I would encourage the electorate to participate in the consultation process and put their views forward as by doing so it will help to shape the terms of the licence and will ensure that St Helena gets the best benefits from the cable and at affordable prices.

It is hoped that once the PASH contract gets underway and becomes operational it will not only further stabilise the cost of electricity, but create some employment for islanders. Eventually we hope that in the years ahead the consumer will be able to feel the benefits of reduced energy costs, although we should be aware that this will take time. It is important, however, for SHG, as the owner of Connect, to ensure that they keep operational costs sustainable so that the benefits from renewable energy reach the consumers and not the pockets of the Executive of Connect through bonus payments or increased salaries at the expense of the consumer. It will be absolutely imperative that SHG set some further targets for Connect once the energy project is operational that paves the way for year on year reductions in the cost of electricity to the consumer. Furthermore, it must likewise provide for a reduction in costs for those businesses that are high energy users so that the economy can feel the benefits too. This will only come about if SHG, as the owner of this state entity, takes action.

Mention was made by the Financial Secretary of the new Labour Market Strategy. This is an important Strategy; however, it will only have the intended outcomes if SHG continues other important reforms. The Chief Secretary made mention of some of these connected to the Labour Market Strategy in her response to a question raised in the House last Friday. Members will be aware that during the public consultation on the Labour Market Strategy last year, it attracted some of the largest attendance to constituency meetings for some time. The feedback was clear that the community felt that when it came to employment within SHG they felt disenfranchised as the sheer number of persons who are not permanent residents on the island, nor have St Helenian status who were getting jobs within SHG at the expense of local people who were equally qualified. The community likewise felt that SHG was not doing sufficient with regard to preparing local people to take over more key positions. I am aware of some of the work that SHG is doing to ensure that succession planning is done across SHG, but as a member of the Government, I do not feel we are doing enough and in the areas where we are making some headway, this cannot be seen by the community. Therefore, we must make this work and that going on now more visible so that it is seen and felt by the community. The Labour Market Strategy must be linked to the whole of SHG succession planning. A number of HR policies must likewise be linked to the Strategy so that vacancies and succession can be seen not only by Saints living on the island, but those abroad who we desperately want to attract back to the island. We have done a lot of talking about how we want to attract Saints back to key positions, but this has not been matched by actions. Now is the time to give the franchise back to this community. If local people have the benefit from the implementation of the Labour Market Strategy then there needs to be an underlying policy that directs all SHG's Directorates to be linked to the centre with regard to vacancies and succession planning so that the opportunities can be visible to local people. The Education and HR Directorates will be pivotal to ensuring the information is reaching those who require it both on and off island, including in respect of training. The key to the success of the Labour Market Strategy lies with SHG doing more to encourage students when considering their future careers to have the right information on the key jobs that will be available if they follow a certain career path. I know some work is being done to ensure that this is the case, but, again, I do not believe it is visible enough and that we are working closely enough with the Education Directorate. The same has to be said for St Helenians working abroad and who wish to return to the island to settle. They

will only want to do so if they have a share of key jobs. The CASH Centre should therefore be maintaining a database that allows them to register their skills and qualifications. This would then make the whole system more open and create equal opportunities for local people and those Saints living abroad. Finally on this matter, which I have laboured because of its importance in going forward, is our Technical Cooperation budget line, TC, which is now over £8m. It is accepted that St Helena, as a small island, and with the acute population demographics, will not have all the key skills sets within the population. That said, however, in recent years, there have been a significant increase in TC posts. I will look at two specific Directorates as an example to illustrate the point I am making. One which focuses on key messages coming from the consultation on the Labour Market Strategy and one where constituents felt they were disfranchised. Over the last three years, as a result of the DBO Report on Corporate Finance, there have been no less than five new TC posts in that section. I accept fully that the key skills required for these posts could not be found locally, I know some work is being done in an attempt to ensure that students are aware when making career choices that finance is an area where there is a key skill set. I made the point earlier what work is being done to highlight this as a skill key set is not visible in the community nor is it made known to Saints living abroad who may already have these skills and could be attracted to return if they had the information. There is a similar situation in the Police Directorate, in fact, this year its TC budget tops over £1m. I will come back to the Police. The point I want to make here is that there is no policy that I am aware of that specifically links the recruitment of TC workers and succession where it requires the Directorate to work towards succession planning as a key outcome when agreeing a TC post in the first instance. This should form part of SHG's key performance indicators so that the plan for succession is measurable and is audited and reported on annually. Only by taking these steps will local people or Saints living abroad with the right skill sets have equal opportunity for key posts. It has been and still is far too easy to go down the TC route in many cases. Recruitment to the post could be in a training capacity, which would open up more to local people. The current practices need to change if locals are ever going to get the opportunity of getting in the more high-level posts.

The point I wish to make with the Police Directorate is that we seem to have more TC posts there now than locals. What does this say for local employment opportunities? If SHG were to put in place a more refined policy that links directly to local employment when requests for TC posts are made then it forces Directorate down the path that may have equal opportunities for local people. The other point I wish to make with regard to the Police is that I am not convinced we are getting value for money. We seem to have far too many plain clothes officers and too little uniform where policing should be more visible to our community. The Police have just about abandoned traffic management in Jamestown, in particular, in relation to the policing of the two-hour parking spaces. I accept that they are currently awaiting the enactment of fixed penalty notices, this is not, however, a reason for the Police to ignore the law. On the few occasions that elected members specifically requested the Police to give particular attention to this matter they did so to good effect, however, they do not seem to want to do so on a regular basis. The community is very unhappy about this, time and time again drivers, some of whom are senior citizens wishing to visit Jamestown for short periods of time are unable to find a park in the heart of Jamestown where there is a significant number of short-term parking spaces. They are constantly occupied for the whole of the working day by staff working in Jamestown, it is a disgrace, selfish and inconsiderate on the part of those drivers and a shame on the Police for continually allowing this to happen. The result is that those residents who only wish to remain in Jamestown for a short period of time are having to park further away from the heart of the town, for example, carrying heavy shopping bags to the seafront. I will be proposing during Committee stage that a condition of the Police recurrent budget is that at the very least the two-hourly parks are policed on Thursday and Friday of each

week, these being the two busiest days for shoppers in Jamestown. Only last week I was challenged about this sorry state of affairs by one of our senior citizens who was laden with shopping bags walking from the heart of the town to the seafront. Every park in the central park in Main Street was occupied by day workers in both SHG offices and Solomon's as I could identify some of these vehicles. As a former Police Officer, I do support the Police, they have a difficult job to do, especially in a small community where they are more visible, but I do feel in this particular area they have and still are failing the community. This needs to change.

I am also pleased to see that finally we have been able to make some provision in the budget for tackling the issues associated with the definition of household status in our Social Benefits legislation. This has been a long time coming and I would like to pay tribute to the excellent work undertaken by the sub-committee of the Social and Community Development Committee, SCDC. Once the necessary policy changes are agreed, this will bring much needed relief to the many households impacted by the household status definition. The change to the legislation will seek to give every person living in the household the possibility to qualify for benefits in their own right. I also welcome the work that is needed on pension reform, including the Basic Island Pension and the work being carried out on the possible implementation of a compulsory contributory social security scheme. I understand that the recruitment for a new Social Policy Planner has been ongoing and trust that once appointed and in post they will be able to provide input into the development of these important policies as a matter of priority.

Other economic development plan under the Government Economic Development Investment Programme over the next two years will also bring much needed stimulus to our economy and will be welcome by the private sector.

I also welcome the changes made to the Customs and Excise Regulations that came into effect on 1<sup>st</sup> April 2020 that addresses the concerns over equality raised during the consultation on the Labour Market Strategy. This will allow employees coming back to work within the private sector to be treated the same as those working for SHG. Government was right in 2018 when following consultation on the review of our Sustainable Economic Development Plan, SEDP, to not put all our eggs in the tourism basket, we must continue to explore other areas as identified in the SEDP and I am pleased to say that much of this work has already been done by the Economic Development Committee to encourage this. Work is advanced on a new international companies register, I mentioned earlier of the work the EDC is doing with regard to the Communications Policy and legislation, which will be key to negotiations that will take place for the new Communications Licence after the fibre optic cable is landed and lit. The Cable and PASH contracts have the potential to bring much stimulus to our economy and have the ability to change our fortunes if managed properly.

Finally, I would like to pay tribute to the Financial Secretary and his team, the SHG Directorates and to my elected colleagues for the many hours we have spent in getting to a balanced budget with the limited sources we have. However, whilst we might not have been able to have everything we would hope for, SHG is still able to deliver frontline services in what has been a very difficult year. For this, I am very grateful and so should we all. Mr Speaker, Honourable Members, I support the Motion, a Bill for an Ordinance, the Appropriation Ordinance, 2020 and commend it to the House. I look forward to participating further during the Committee stage. Mr Speaker, I beg to move.

The Speaker –

Thank you very much, Honourable Member. The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Thank you, Mr Speaker. Mr Speaker, I declare my interest as President of the Chamber of Commerce.

The Speaker –

Thank you.

The Hon. Dr Corinda Essex –

Mr Speaker, I rise in support of the Appropriation Bill, although its provisions fall short of matching the needs of St Helena, which is still in a critical transitional stage of its development. Having what is in real terms a reduced budget is a serious cause for concern and does not reflect all the time and effort spent by both elected members and officers in the endeavour to obtain a more favourable outcome. As the Honourable Financial Secretary stated, we asked for an additional £1.75m. This level of increase was the bare minimum to enable St Helena Government to address its key priorities after all lower risk or less essential budget items had been stripped out, but this bid was not approved. This came as a bitter disappointment and will inevitably have a negative impact on what Directorates can deliver this year, although, as my Honourable Friend has said, at least the provision should be adequate to allow the continuation of the frontline services. It is also extremely disappointing that the British Government has once again only approved a one-year settlement, but with its comprehensive spending review pending, there was no possibility of agreeing a longer time period. It will be essential that St Helena Government does all that is possible to ensure that the British Overseas Territories are considered fully in this process and that the outcome of the review will be beneficial to St Helena.

The Honourable Financial Secretary identified a number of key highlights achieved over the past year which should lead to a brighter future for St Helena. These are encouraging, but in many instances the realisation of the associated benefits depends upon a wide range of variables, including availability of funding, a coherent and consistent policy framework and a real sustained commitment on the part of all involved to stand firm where necessary and make the strongest case possible for the needs of the island.

Mr Speaker, I will now give a few examples to support my point. A major achievement to date has been keeping St Helena Covid-19 free. This has been at a considerable cost to our economy and we are indeed grateful for the additional funding granted by Her Majesty's Government and for the relief packages that we have been able to deliver. However, we must continue to do all that is reasonable to ensure that the situation does not change and we must not let economic pressures result in hasty decisions that will expose our population to the virus. Were the virus to take hold, the economic fallout would be long term and catastrophic let alone the misery and destruction of human lives that could never be undone.

A number of the highlights mentioned by the Honourable Financial Secretary relate to academic success at GCSE in terms of scholarships and the gaining of professional qualifications. These have the potential to bring enormous benefits to St Helena, but only if we recognise, nurture, value and reward local talent and this is an area in which there is currently room for improvement. If sustainable development is to take place, we must try to be more self-reliant wherever possible as if we fail to do this the island will become more and more dependent upon external resources and less and less capable of determining its future. Self-reliance can only come about through successful succession planning, development and retention of local staff, not just within SHG, but island wide and the provision of appropriate incentives. On this point, it is worth noting that when the budget prioritisation process took place, and particularly following the news of a flatline settlement, a number of training and development activities had to be reduced or excluded within the current year, which is deeply

regrettable. The Honourable Financial Secretary made reference to the hard decisions that had to be made and this is one example. If a choice has to be made between ensuring that Primary Schools have the resources to deliver acceptable standards in literacy and numeracy which will affect all pupils or extending and upgrading the apprenticeship scheme, which only involves some young people who have already had the benefit of over ten years compulsory education, it is clear that there really isn't any genuine choice. This is the kind of situation in which we as elected members constantly find ourselves. It is often stated, "It's the politicians who make all the decisions," as if we had an unlimited pot of money and the ability to choose whatever we and our constituents would like. Mr Speaker, if that were the case, I would be overjoyed and I'd have a lot fewer grey hairs. Unfortunately, the reality is that we do have to make many decisions, but can only do so within the limits that exist and this frequently results in having to choose what we believe is the best out of two or more unsatisfactory options. A major gain has been the reinstatement of a Capital Programme, albeit in the form of the Economic Development Investment Programme, which narrows scope considerably. The absence of capital funding for three years was hugely detrimental to our economy and destroyed the momentum within the construction and allied sectors that developed during the Air Access Project. However, new opportunities are slowly becoming available and it is important that these are packaged in such a way that as many local construction businesses as possible can participate. They have all had to bear the pain so they should now all have a chance to share the gain. It is most encouraging that projects that had been marking time for years, such as Rupert's development, R2, Sewage and enhanced water security are at last to start going through the formal approval process. These will address major deficiencies in our infrastructure that in some cases actually impede sustainable development. The Capital Programme team are to be commended for their efforts in getting the projects to this stage. It is particularly pleasing to note that the list of projects includes increased agricultural production. As I stated several times during the prioritisation process, there has not been any large-scale capital investment in the agricultural sector for many years and this is badly needed as food security is of great importance. Farmers are facing increasing challenges from invasive species, drought, pests and diseases which without capital input will threaten achievement of import substitution objectives of the Sustainable Economic Development Plan.

With regard to the expenditure highlights, it is pleasing that provision has been included for the upgrade of the fish processing plant and purchase of associated equipment. This investment is long overdue and is a clear example of where an early spend now to save later approach could have resulted in considerable savings. The dilapidated state of the plant was known when St Helena Government took it over from the previous investor. I am aware that part of the reason for the delay was the hope that funding would be forthcoming for a new facility and I believe that this will still be needed. In the interim, it is extremely important that St Helena Government ensures that the local fishing industry benefits from the current investments and that the associated assets remain in public ownership. It is also pleasing that the subsidies policy is nearing completion and will come to Executive Council for endorsement next week, according to the statement made by the Honourable Financial Secretary, but it is regrettable that all elected members have not had the opportunity to feed into such an important document. We are aware that this work stream is taking place, but have had no sight of the final draft. If this is on the closed Executive Council agenda, we will now not even be able to caucus on it. As the issue is cross cutting, I expected it to have come to all Council Committees for input before reaching this stage. I am even more pleased that my formal proposal for £200,000 to be earmarked within the budget to kick start implementation of one or more of the essential recommendations from the recent review of the Social Services system has been included. We all know that there are flaws and anomalies existing at present and a start has to be made somewhere or living standards will fall and the number of persons experiencing real hardship

will escalate. We have a responsibility to help the most vulnerable in society and to ensure the St Helena Government systems and processes are fair and equitable and here I'd like to associate myself with the sentiments already expressed regarding the sterling work done by the relevant Working Group. The icing on the cake is that no substantial increases in taxes, duties or fees and charges are being imposed at this time, but this raises the ugly question of for how long will this approach be affordable. Expenditure has to be met by income and it is imperative the St Helena Government does all it can to eliminate non-essential expenditure to prevent greater demand from revenue. We are all aware that productivity could be increased in some areas, further efficiency savings generated in others and greater value for money achieved elsewhere. Doing so is all the more crucial in this time of austerity and the public is deeply critical of what they perceive to be wastage of valuable resources. Let us hope that the five-year workforce plan when it is completed finally will make a positive contribution towards addressing these issues.

In conclusion, Mr Speaker, I wish to pay tribute to the Honourable Financial Secretary and all those who have worked tirelessly to get a balanced budget presented to this Honourable House today. Mr Speaker, I support the Appropriation Bill, 2020.

The Speaker –

Thank you very much indeed, Honourable Member. Any other Honourable Member wishes to speak? The Honourable Russell Yon?

The Hon. Russell Yon –

Thank you, Mr Speaker. Today, I stand here with reflections on what could have been and where do we go from here. Again, we have had to work with a rollover budget even though the process was undertaken well in advance and again our paymasters have not lived up to their side of the bargain. Things have changed in the world we currently live in and the impact of Covid-19 has been felt worldwide and has made a huge difference on our daily lives. DFID has come up way short again with our budget allotment and even though a request was placed for an increase that would see better services provided to the Island in that respect, it was declined and, in fact, some Directorates will again have to accept the fact that they will have to do more with less.

Yes, we are indebted to Her Majesty's Government for the additional funding that has been provided to assist with the Covid-19 pandemic and fingers crossed collectively we have been able to keep this beast at bay, unlike some countries where they are now experiencing the second wave. We Saints are known for our resolve and those from other shores who have come to work here and live amongst us has by now learned that as well.

It has become difficult to prepare a meal without the one item that is part of our substantial diet and that is potatoes, but then again who do we blame, we have become too complacent as we depend on the outside world for almost everything.

Mr Speaker, in his budget speech the Financial Secretary referred to the work undertaken by SHG over the past years and what the expectations for the forthcoming year should be. The achievements have been great but so much more can be done if everyone start to pull in the same direction rather than pulling at each other. The might of togetherness can lift the awful weight off one's shoulders that seems to be there weighing on each other and taking us down as we go about our business independently. Mr Speaker, with the limited funds we have to spend and no new money coming to our shores we need to be inventive not only with our business but with our bodies and souls. We need to start thinking outside the box and design plans and concepts that will take us into the future without having to rely on the outside world for everything.

As the world goes crazy over the 'Black Lives Matter' movement we should stop and think that our ancestors and this Island played a huge part in that segment of world history. Those days the island provided a shelter for many who could not continue the journey and some of those have become our forefathers. As those ships and many more seafarers stopped at our shores our Islanders rowed their boats out into the bay and supplied them with every type of vegetable, fruit and water the island could supply. Scroll on to today and we are doing the opposite. We cannot wait for a ship to come to our shore to replenish our stock and supplies. A damning reverse of what was and what is.

How sad that we cannot provide for ourselves yet there are some amongst us who feel that there are a limited number who should be allowed to come here and work to instil that workmanship and partnership amongst us again. We have a few of our own who we can count on and deserve the huge pats on the back that they deserve who do their utmost in trying to provide the basic foods for our tables, but we need to support them more and the eventual take on the mantle to be their own persons. The island needs rejuvenating, St Helena Government needs to take the lead and show the way, we cannot continue to allow all of our youngsters to leave our shores for the experience of the outside world without bringing some if not most of our Saints back, but we must be open to the right investor who wants to be part of our little island also.

Again, the work on the Labour Market Strategy has highlighted the gaps and what needs to be done. To grow our population and then boost our revenue prospects we need to grow our population a lot faster than we are expecting at this moment. However, the majority of our folks abroad will not give up huge pay cheques and lifestyles to come back home. They need to be encouraged by having other incentives if the paycheque is too small. We need to grow our population in order to have a growing revenue. The increased revenue will need to be spent on developing the island and to take a step in the right direction. As a Saint, I know what it is to keep a chip on the shoulder and that is one thing that we all must throw out of the window and into the wind. Far too many have left our shores because of such instances and have gone on to better themselves. If we are to attract those back to take up positions currently held by Technical Corporate Employees then we need to bury the hatchet as they say.

Mr Speaker, this year's budget, like the Financial Secretary said, will be similar to last year, but, Mr Speaker, with an ageing population, more areas have been identified in Health and Adult Care that will need facilitating, plus the need to provide a good education for the younger generation and then, as usual, the I&T and ENR&P have got to get on and live with it. The Chief Secretary recently said that the MTEF procedure that is used for determining the budget might not be correctly applied, others around this room will say that we haven't got our priorities right. For me the process we undertook here showed that we have cracks in the method, moreover when Directors then get to discuss the elements of funding again and we as Elected members learn of their decisions sometime later. It becomes worst when our Governor tells a room of constituents that the Elected members own the budget. If it was I who owned the budget then I would have the majority of the population on my side as they would get good infrastructure and good roads. I'm forever being blasted about our road infrastructure at every constituent meeting and every shop I enter. Maybe someday we will get that right too, but for now I see our aging population and the younger generation as the priority, but belly up it is the working class that pays the most taxes and they are getting fewer and fewer each year. Again, and I will always say it, it is time to look at an additional tax bracket, we cannot always say it will only impact on a few.

Mr Speaker, with the changing times and how we want to do business in a few years from now on we will have those amongst us who will be earning top dollar, so to speak, and paying next to nothing in income related taxes, yet they will be enjoying the same if not better social life

than most of us. Times are changing and currently we are all feeling the pinch, it is time for a wakeup call otherwise we won't even know what has hit us.

Mr Speaker, in closing, I would like to say that hopefully the amalgamation of FCO and DFID will come as a benefit to us and the other UK overseas territories. Maybe now HMG will see sense that we are more value to them and far more better off than those in the changing world that they are dishing out billions to. In the developed countries those are using their money given by DFID to fund their nuclear programmes. Let's hope that the upcoming project of the Equiano Cable and the Renewable Energy projects will bring some prosperity to St Helena and kick start a new day. Mr Speaker, it just leaves me to say thank you once again to all involved and I would like to also inform this house that although reluctantly I give my support to the Bill for an Ordinance to provide for the services for the financial year 2020/2021.

The Speaker –

Thank you very much indeed. Are there any other Members who wish to speak? The Honourable Brian Isaac?

The Hon. Brian Isaac –

Thank you, Mr Speaker. I would wish to thank the Honourable Financial Secretary for the presentation of the budget for the new financial year and thanks and appreciation go to all involved in the preparation which clearly demonstrates the working relationship between elected members, officials and Her Majesty's Government. We are all aware of the challenges that the island face and the impacts of the Covid-19 that have impacted on our economy. There is much uncertainty, what the future hold for St Helena and the rest of the world. Yes, we are in a very strong position when we look at the rest of the world which do not have the same privileges as we often share, but sometimes we take it for granted.

The Financial Secretary highlighted some of the game changers for the new financial year, such as the signing of the contract with Google in 2019, the contract with PASH in May 2020, which we hope will stabilise the price of energy for the foreseeable future. Other factors, such as public sector spending, which appear to be promising, along with local revenue and taxes remaining the same. The increase of 3.95% on tobacco and 2.9% on alcoholic beverages will raise some concerns, but I'm sure that the Corporate Tax rates and personal allowances will remain the same, which will be welcoming. The additional 2.5 approved by Her Majesty's Government to support the island in readiness for any response to the Covid-19 pandemic has been most welcoming and all elected members and officials should be commended for all the work that went into the programme. We hope that the merger of the Foreign and Commonwealth Office and the Department for International Development we hope will place St Helena in a better position for aid funding, but, again, this is a big uncertainty which have to be tried and tested and where we will require all involved – officials, elected members and Directorates, to be working together for the betterment of St Helena.

Mr Speaker, I do not wish to further address other strategic components of the Financial Secretary's speech, as elected members and officials have had the opportunity to scrutinise the budget through the preparation and there will be further opportunities during the Committee stage to raise further concerns. I give my full support to the Appropriation Bill, 2020 and hope that the benefits will strengthen the economy which will bring much needed benefits to the vulnerable and deliver the much-needed infrastructure to take the island forward. Thank you, Mr Speaker.

The Speaker –

Thank you very much. The Honourable Christine Scipio?

The Hon. Christine Scipio –

Thank you, Mr Speaker. Mr Speaker, firstly I would like to thank the Honourable Financial Secretary for his budget speech. It is disappointing that we have a rollover budget this year and I will repeat once again, we do look forward, Honourable Financial Secretary to securing a multi-year financial aid programme in the near future.

Mr Speaker, the Coronavirus pandemic has shown how much all countries are connected globally and how they rely on each other. It has also exposed the extent of how global systems, especially economic, have created a huge gap between the poor and the rich. In my humble opinion, it has shown how important ordinary people are in the whole supply chain of essential goods and how, in the end, governments have to rely on their citizens to deal with this global disease. It is a game changer, and countries around the world had to change to meet new demands. The importance of people and their contribution has to be at the centre of such change. Is St Helena learning these lessons and applying them? Mr Speaker, how is the budget put before us today reflects, adopts, adapts to change putting our people, their welfare, their interests and contribution at the centre?

Mr Speaker, the Financial Secretary in his speech mentions several times that there have always been challenging times for St Helena and warns that impact of the Covid-19 globally, will make it even more challenging for our community. He draws attention to the decrease in the island population. Over the last year, the average drop in the population of Saints living on St Helena was 87. When combined this with a declining birth rate, this outward migration, puts St Helena on the brink of a population crisis. It is worrying when young people, skilled labour and families have left and continues to leave the Island.

Tourism is still the main driver of the economy though the Financial Secretary indicates that the Island needs to diversify. St Helena Government is mostly using global systems and models in diversifying the economy. The approach is seen as an initiative to change the local company law for outside companies to register. This will involve employment of extra people into the Companies House department. What will be the cost of extra staff and other expenses, and what is the likely income for the island? Another area is inward investment. If Mantis St Helena is an example, it is not good news as SHG had to put up the capital and pay out considerable sums of money to keep the business afloat. It is noted that “up to £500k has been included in this year’s budget to upgrade the fish processing plant and the purchase of associated equipment”. In his speech, the Financial Secretary did not mention if an Inward Investor has been given the rights for fishing. Is St Helena Government following the same route as Mantis St Helena? With global lessons learnt from the Coronavirus pandemic, why is this development, one of the island’s main resource is not been given to our local fishermen?

Mr Speaker, we do not need to have to start from scratch to lay foundation for change, we already have this in St Helena Government’s 10-year Plan approved by Executive Council. The principles that are laid out is to have the interests of local people at the centre of development. Altogether Wealthier is about being socially inclusive and wealthier, both financially and in terms of skills and knowledge. This includes increasing wages on the island through sustainable, ethical economic development that see St Helenians taking the lead in business, Government and non-Government organisations. This document provides a road map for long-term planning policy, budgets and legislation. It is the collective responsibility of St Helena Government to deliver on the commitments made in this 10-year Plan. All strategic and operational planning should be aligned to this document or if there are any changes, these changes should be made public. The commitments made in this 10-year Plan will be delivered by St Helena Government with support from key players.

Mr Speaker, these are just some of the matters raised about St Helena Government using global models and systems in taking our little, precious Island forward. In addition to putting people at the centre of any change we should in any major strategy for change take into account the

status given to us by the UK Government of St Helena as a self-governing territory, with a population the size of a village having to deliver all the services of a national government.

We should also take into account the terms and conditions of the Memorandum of Understanding (MOU) signed by the UK and St Helena governments in December 2010. The UK Parliamentary Committee looked into this matter in 2016 when the air service was to start, did not for another 18 months, who concluded that the business case put forward for the large number of tourists to the island was unrealistic. We now know that and the Coronavirus impact is going to make it even more difficult to drive our economy forward. Yet many of the taxes and reforms affecting the lives of Islanders are still in place. Privatising utilities is one which with high charges, particularly electricity, is crippling local businesses and impacting on our residents. The signing of the contract with PASH Global will produce more renewable energy, BUT as Connect St Helena continues to receive a subsidy it is unlikely that the consumer will see a reduction in utilities costs very soon.

Mr Speaker, the changes we face, is mostly shown in the Financial Secretary's speech to be channelled through government and the private sector. There are two other sectors that make important contributions to the economic and social development of our island. These are organisations within Civil Society and our people themselves. It is estimated that Civil Society organisations contribute more than £1m annually into the economy in addition to the major contribution to social and environmental development. In housing alone, our people, our Saints, building family homes have put more than £150m private capital into the economy, most of the money coming from working offshore. There is very little mention of the importance of these two sectors both in what they are contributing and in the future development of the island in the Financial Secretary's speech.

To undertake a real change and lay foundations for the future of our island, taking account of the impact and the lessons learnt from the Coronavirus pandemic, it is important to have a complete independent, comprehensive review of all the various aspects of the island.

Thank you, Mr Speaker.

The Speaker –

Thank you very much indeed. The Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Mr Speaker, I rise in support of the Appropriation Bill and likewise I'd like to thank the Honourable Financial Secretary for his budget speech on Friday.

Mr Speaker, once again it is with great disappointment that for the first quarter of the financial year we have had to work with a rollover budget, despite the fact that planning started in good time between St Helena Government and Her Majesty's Government and I know that St Helena Government cannot be blamed for this, our settlement from Her Majesty's Government was only received in late March, therefore a rollover budget could not be awarded. Rollover budgets now seem to be the trend. Now that the FCO and DfID have merged, I do feel we should be flagging this issue up at ministerial level at an early stage during the next round of our budget planning.

Mr Speaker, although we are extremely grateful to Her Majesty's Government for providing an additional £2.5m to SHG to support the island in its preparedness response to the Covid-19 pandemic, what is disappointing to see is we did not receive an uplift in our current budget to support essential services and allow for some new activities which would have added value to our strategic priorities. Within our 10-year Plan, we did not even receive an inflationary increase, goods and services goes up in price, yet Her Majesty's Government expects St Helena to cope on a flatline budget. This is very disappointing.

Mr Speaker, there are many challenges facing us with the Coronavirus, Covid-19, we have had to bear the brunt like the outside world, however, we should be proud that we have no cases of Coronavirus and we should congratulate ourselves with the actions we have taken in preparedness for the Covid-19. We have a quarantine facility at Bradleys equipped with an intensive care unit, we have additional personal protective equipment, testing equipment for the Coronavirus and staff properly trained. We also have additional trained specialists in the Health of which we are extremely grateful to Her Majesty's Government for their support in achieving this and also for the hard work and support undertaken by our staff on the island.

The Financial Secretary alluded to some successes to look forward to, for the fibre optic cable project, this significant investment will provide the island with a great range of opportunities and bring about economic growth, we also have a contract with PASH Global to look forward to which will set the island up to be generating a hundred percent of energy from renewable resources and eventually drive energy bills down. This project will also have huge benefits to not only St Helena but also to Her Majesty's Government for being the leading overseas territory in achieving blue and green exemplar initiatives. I am sure other funding initiatives will become available in achieving this goal. However, Mr Speaker, it is imperative that SHG sets the boundaries to ensure the benefits reaches the people of St Helena.

The Economic Development Investment Programme, EDIP, as it is called, will also bring about much needed infrastructure projects, such as Ruperts becoming ready for cargo operations and much needed water and sewage development projects, which will supply job opportunities for our private sector industry and grow our economy.

The review on Immigration and Lands in the coming months will provide additional opportunities to strengthen our population, support investment and grow our tax base in support of our revenue streams.

In relation to our Health Service, I won't repeat what the Financial Secretary has said, although the budget remains static, we have benefit from the £2.5m Covid-19 funding. In our budget we will be able to concentrate on supporting the Health strategic priorities, non-communicable type diseases, provide support in the areas most needed.

Mr Speaker, although we have had to be content with basically a flatline budget, what I will say that I am very pleased with this Council for standing together and making sacrifices in other areas of the budget in order to ensure that those persons who qualify for income related benefits receive such benefits in their own right without having to expect other members within a household to provide for them. In my view, this is legally wrong, something I have been arguing about for some time. Councillor Leo and his Working Group must be commended for the long hours and hard work they put into reviewing the Social Security Ordinance, a job well done.

Mr Speaker, I would also like to commend the various Directorates and the Administration for the many long hours, their high level of commitment and dedication shown in the preparation for this budget, at times having to meet deadlines at short notices. Such commitment is well appreciated. Certain issues within the processing could have been better, such issues have been highlighted and I am sure will assist the process in going forward. With the agreed establishment of Honourable Members forming an Accounts Committee, this will strengthen and add a great level of scrutiny in the way we manage our scarce funding in order to achieve best value.

Mr Speaker, I support the Appropriation Bill.

The Speaker –

Thank you very much indeed. The Honourable Clint Beard?

The Hon. Clint Beard –

Thank you, Mr Speaker, I rise in support of the Appropriation Bill as not to do this will have serious service delivery issues for the island. I'd also like to in my introduction thank all those that have worked hard in getting and creating this balanced budget.

Leadership is a privilege to better the lives of others. We hear in so many forums elected members own the budget and we are responsible where monies are spent. In some instances, I believe that this is true, but there are elements that we are not really involved in. These are the aspects we need to bear in mind. We have to have a say in all aspects of this budget. One example is the TC element. We were told this is operational, but yet we are responsible to agree to this line in the budget, we need to let the people know this. I think this coming budget sessions will need to be more upfront and decide what our priorities are and how we will fund these. I believe in the first instance we need to take a step back. Why do I say this? A balanced budget does not mean we have adequate funding to make sure the island's needs are met. What it means to me is that some sacrifices have had to be made in all Directorates. Question this as we have to make sure we have enough in our budget to advance St Helena in respect of its people and the services we deliver to make St Helena an attractive island that looks after its community and all its people. We seem to go through the motions of doing preparation for a balanced budget to present, but it needs to make sure we have the ability to deliver all services adequately and to the best of our ability. The questions we should be asking ourselves, is the island's priorities being covered and addressed, is the island's population protected, what steps are we going to collectively use to address issues? In tough times we all need to be pulling in the same direction.

Turning to the budget speech that was delivered, I will communicate how I see this budget. The budget presented is very challenging and we all will have to pull together to make this work as only efficient and effective spending analysis will have to be used at all times. Accountability and responsible spending will have to be done by all. Our economy is so dependent on the outside world, but yet we, as an island, we do remarkably well with the little we have. As the world battles day to day, we achieve a level of success no-one seems to mention. Why do I say this? This is why, I've just looked at a SWAT analysis. Our strengths, we are Covid free and we as a community have achieved this. We have an extensive endemic and marine element found nowhere else, we are unique, a blue and green exemplar. Our weaknesses, we are sometimes too reliant on the outside world, we need to do more. Opportunities, we can do so much more of being self-sustaining, pushing local initiatives, local businesses can be established to supply local market and even abroad. We need to use more of our local knowledge. The threats, trying to stabilise the economy in these turbulent times, making sure we use consultants which at times are failing to look at the island, normal text book outputs might not work in all instances here, the use of local knowledge is important. We look forward to the changes and hopefully the positive effects these projects will have on the island, these are the Equiano Cable and the Renewable contract signed with PASH. We hope this will bring huge advantages to the island. We are a Covid-free island and I believe we are well prepared and we have to thank HMG for the £2.5m support given, may this pandemic never reach our island.

There has been work done for potential investment and I would like to see more locals get together to invest in our island. There has been some orthopaedic procedures as well as delivery of Oncology services here on island, which has afforded the patient the support from their families and the local medical staff and I think that is a positive aspect. Furthermore, it has created savings financially for the island. Education still progresses, the training of our teachers, supporting scholarship programme and apprenticeships, attainment levels are also one of the goals being set in the Directorate. We must not stop, be complacent, but push even harder for improved results year on year. We have also a number of returning scholarship

students. Reading between the lines, a compelling argument, to reprioritise resources over a sustained period towards education given the clear need to invest in young people as our future human resource of capital and I'm not convinced this has been achieved in 2020/2021, as you may wish to push this in the reforms for 2021/2022. Have we really got the balance right between service priorities? Look at the pie chart in our Estimate books on page 12 and ask yourself is this right that only 8% goes to Education and 6% goes to the Police, but generally we are a law-abiding population. Head 22 shows total Education budget for 2021 being less than the revised budget from 2019/20, aside from privatisation between services, there is also scope for internal efficiencies and improving educational outcomes and this is being worked on as we speak. I would encourage my colleagues to join me in committing to improve our GCSE results by investing political and financial resources in reforming our education system for the benefit of our young people, not just at Prince Andrew but also in the Primary Sector. The budget has been a long time coming, I am not sure what version we're on, having lots of meetings and that just reveals how much work has been done over the last few months. For me, I hope the merger of FCO and DfID will bring an added spark of positivity and who knows, a three-year budget settlement. We know UK Departments are going through spending reviews, but we cannot be set back by further less than perfect budgets, we need an active economy, so we need a proactive budget that enables us to get these projects started.

The SEDP has been in place for a while and it might be time to see the changes that needs to happen as everything cannot be funded, so we need priorities and base our budget accordingly. When we look at this budget, we have tourism developing slowly, but in my mind, a large attributing factor was the amount of locals and returning Saints being the majority in those numbers that came back and spent in our economy.

We still need to keep an eye on those below the poverty line and this we do with the six-monthly review of the MIS. The increase of 30 pence really did not sit well with me, especially for our older generation who have put so much into this island. Revenue forecast seems quite optimistic as there's for sure some major struggles across the globe at the moment and these will have an effect on us here on St Helena. Normality has just not come about yet, so I sincerely hope we will be able to achieve the forecasted revenues. This might be the time to add a further tax bracket.

It seems our general reserves of the Consolidated Fund is quite healthy at the moment, but we must not spend on non-essential products at this time as if for some reason we might need money we need to be able to call on the Consolidated Fund to relieve that particular item of business. We had £2.5m made available for Covid-related expenses and we only have £1m left and I'm not sure how far this will get us.

The subsidies policy is another piece of work which has been a long time coming, over nine months. As we look, others will fit into our philosophy of spending wisely.

One major positive move this Council has pushed forward is making available £200k to implement some recommendations from the review of the Social Security element.

Shipping is a key conduit for our supplies and we need to constantly review this segment to make sure we gain the full potential out of shipping.

The very essence of leadership is that you have a vision, you can't blow an uncertain trumpet. Access is also a critical component of boosting our economy and we need to make use of this mode of transport effectively and will make sure the packages also are affordable to all as this will allow everyone to visit the island and put money into our economy. I am pleased to see that a total of £4.5m has been earmarked to facilitate access to the island under Head 21. We have heard from the Financial Secretary our tourism revenues make a significant contribution to the economy, but this has collapsed with the Covid-19 pandemic. Aside from our developing tourism economy, the UK through DfID have acknowledged a fundamental responsibility for the loyal people of this beautiful St Helena to maintain access route to and from St Helena for

inward and outward travel whether by ship for the former RMS or by air through our new airport.

Mr Speaker, we cannot leave ourselves at the mercy of another country's decision as to when we may operate our own travel to and from the island. Indeed, the Airlink route through the Jo'burg hub of South Africa has been controversial from the outset. The South African lockdown has now closed this transport route for all practical purposes for the medium term, so I say let's not sit on our hands, Mr Speaker, let's seize this opportunity to open up regular travel route to Europe and redirect our DfID air subsidy to support this bold move. Travel corridors with the UK are now being established with other UK Overseas Territories, indeed, the Falklands is now boasting a direct flight. No more exploring options, no more excuses, Mr Speaker, let's make this a reality, finance with the DfID money to support the air access at a time of particular need.

Will the Financial Secretary please confirm that the full £375k budget earmarked for air access is available for this initiative and tell us how much more **risk** money can be accessed from DfID to support our vital connection with the outside world?

I understand that £3.5m is required to operate the airport, but presumably with no flights currently there will be a significant saving. In any case, £375k appears to be subsidised flights especially, although I recall that DfID had a much larger risk provision that could be called upon.

There has also been some vital support given to the private sector businesses that met the different criteria and the continuance of this is dependent on how the global economy will develop in the next few months, so we will have to review and adapt as is required. Private sector plays a vital role in the growth and stability of St Helena's markets and economy. The development of a transparent and equal treatment of all will create a more cohesive relationship between all parties. We have a unique selling point and that is what we need to exploit. It is no use we talking about tourism without having an enhanced level of local suppliers be it in vegetable, meat, fish, retailers and providers of accommodation and other related products. We will need to provide support within reason where necessary and inject funding to areas we see will be of benefit to our unique St Helena brand. We have stated so many times that we want locals to return and we have locals with various skills living across the globe, but we need to make sure that we adhere to fair employment opportunities with proper remuneration, open communication, so as we do not alienate those skilled individuals we are wanting to return. The unfortunate part I see with the budget is a reflection of how things will be in the near future, real challenging and to the point heart-breaking as we will have to make some decisions that will not be palatable for some, but we need to make these decisions for the benefit of the wider population. We cannot afford to leave anyone behind and we need to put ourselves in their shoes, in other shoes, to really understand and make the decisions that the community has entrusted us to do on their behalf.

Finally, to all those who have worked on this budget I say thank you and I suppose while we're in the swing of things it seems another round of budget talks will be upon us. Let's work together to create a St Helena that the world envies and everyone staying here is being looked after, let's increase our communications and develop this island, we have put ourselves out there and everyone will have to sacrifice in some way, so let's make sure we do our part and prove that sacrifices to be worthwhile and make sure we get the outcomes that shows the evidence of the decisions that we have made and everyone will reap the benefits. We need to always keep the national goals in our mind when making decisions and just as a reminder, altogether safer, altogether healthier, altogether better for children and young people, altogether greener, altogether wealthier. Leadership is a choice, it's not a position. Thank you, Mr Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Leo?

The Hon. Cyril Leo –

Mr Speaker, I thank the Financial Secretary for his ‘say it as it is’ budget speech, presenting the encouraging and the not so encouraging. Now, whether seen as good value for money or money squandered, I will first draw attention to just some of the financial support the United Kingdom has committed to St Helena. More than £285m of financial aid to establish air access for St Helena, some £80m probably squandered on a new Bulk Fuel Installation, albeit with no guarantees attached by the United Kingdom, £30m for essential capital projects over the next six years, core financial aid for year 2020/2021, £28m flatline budgetary aid. Financial year 2020/2021 yet another £3.5m for airport operations funding and just recently £2.5m to help St Helena confront the deadly Covid-19 virus. Mr Speaker, that financial aid support alone from the United Kingdom adds up to some £428m and one may say that that level of financial support leaves no ground from which the people of St Helena can place additional financial demands on the UK taxpayer. However, with the greatest humility, I have no choice but to beg for more financial assistance from the United Kingdom on behalf of the vulnerable people of St Helena. In April 2011, major changes were made to the Social Welfare system of St Helena following a review that was funded by DfID and carried out by an external consultant from the United Kingdom, Alan Thompson. One implementation as a result of the DfID-funded review was the definition of the household in the Social Security Ordinance. Consequently, that household definition continues to prove detrimental to many of our most vulnerable people. The St Helena Government’s Social Welfare system should be designed to help and not hurt our vulnerable people. Roy Sainsbury from the Social Policy Research Unit at the University of York, again, funded by DfID, carried out another review of the St Helena Social Welfare system from August 2012 to March 2013. In April 2013, the Roy Sainsbury report was presented to the St Helena Government. One of the overriding recommendations was to change the definition of the household. However, over the last seven years, the current definition of the household has been allowed to continue having its negative impact on many of our senior citizens and our vulnerable people. In May 2018, a Social Security review Working Group was delegated by the Social and Community Development Committee, or SCDC, to begin the process of reviewing the 2011 Social Security Ordinance. On 2<sup>nd</sup> September 2019, the Working Group delivered their report to members of the SCDC and the report has also been deliberated by all elected members for decision making. The report contains detailed objectives, options and recommendations. Changing the definition of the household will come at a considerable cost, accordingly implementing and sustaining the financial support for the vulnerable people of St Helena will put significant pressures on the local budget. Indeed, I would like to take this opportunity to acknowledge all elected members for the collective determination to change the definition of the household and for allocating scarce funding to support the recommended changes to the Social Security Ordinance for this financial year, 2020/2021. However, if DfID is unable to assist with the additional funding that is required to support the much needed amendments to the Social Security Ordinance come the next financial year and beyond, and sufficient funding cannot be found through local means, then the current definition of the household will continue to have a serious negative impact on our vulnerable people.

Once again, St Helena has had to settle for a rollover, local Government budget. It is imperative then that we also look past the 2020/21 financial year and start preparing for the 2021/22 budget and beyond. We must start doing all we can, even at this early stage, to identify and secure sufficient funding to sustainably support the vulnerable people of St Helena. Accordingly, I request that this statement is copied to the DfID Minister.

Mr Speaker, the serious limitations of this 2020/21 budget place significant financial constraints and pressures on the SHG Directorates. DfID's level of flatline budgetary aid for St Helena is more designed to maintain the status quo than facilitate improvements for the island's development and progress. However, I have no choice but to accept the 2020/21 budget and therefore support the Appropriation Bill 2020. Thank you, Mr Speaker, I beg to move.

The Speaker –

Thank you very much indeed. The Honourable Anthony Green?

The Hon. Anthony Green –

Mr Speaker, I'd like to thank and commend the Honourable Financial Secretary on his budget speech on Friday which actually contained some very interesting information. It is, though, disappointing that we have yet again ended up with a rollover budget and the late notice from DfID that this would be the case actually didn't help. While grateful for what we receive, the information from the zero base budget exercise that we did some months ago, clearly indicates, at least to me, that we will struggle trying to do most things we normally do but with less and less funding particularly with no increase in the financial aid from the UK and the much hoped for tourism generated income which did start to provide some glimmer of hope but has now been further hampered by Covid-19.

Some brief points generally before a few comments on the Children and Adult Directorate which I developed a special affinity for over these past three years, but first to touch on a few points raised on Friday. The Aquiano cable and the signing of a contract at the end of last year with Google has potential to not only make us better connected to the outside world but also provide us with the opportunities not previously available. We will have then the best of both worlds, the advantages of our geographical isolation yet the ability to be connected with the rest of the world like everyone else. The contract with PASH Global will hopefully provide us with reliable and renewable sources of energy. Mostly here on St Helena we have endless supply of sunlight and wind which don't need to be transported in by ship, it should bring economic benefits and a cleaner environment will also benefit our health. We can only hope though that the world's problems with the Coronavirus don't have any prolonged effects with any of those all involved in being able to get these important projects up and running. Another plus for us is the EDIP programme, more easily recognisable if I refer to this as our Capital Programme and while our numbers in terms of amounts of funding seem to be small to what the Falklands say they have, we are grateful nevertheless and we indeed need to spend it sensibly and hope that Britain won't want to claw back any of the promised amount. We heard on Friday that we have received the second tranche of EDF 11 funding. For me it's so disappointing that we won't be having an ongoing financial support from the EU. Their contribution to development here has been significant, their interest in the island and the cooperation we have received from their offices has just been fantastic and I'd like to record appreciation for their support over the many years. While I'm not sure of what replacement funding will be forthcoming from our motherland and this raises the question whether we have started developing a serious dialogue so that we can understand what avenues for replacement funding streams may be available to tap into and also finding out how best this can be done. While we seek funding sources from outside St Helena, we need constantly to examine what we can do ourselves with what we have. One thought I sometimes like to entertain is that we need to take apart every element of our expenditure, refine our priorities and begin a process of reducing or bringing to an end those expenditure lines that are no longer absolutely essential with our overall desire of bringing economic and social benefit to St Helena and to the greatest extent possible by those who live on St Helena. Most of our money should be allocated to core

activities and support functions have to be reduced to a minimum, I'm not convinced that we're doing that now to the fullest extent. Some may say we're doing that, but a surgical exercise would, in my opinion, be best, which brings me back to Social Care. The Directorate continues its progression in line with the expected standards within all Overseas Territories and the United Kingdom, the question is how can this be achieved and sustained in a time of diminishing financial support. An added dimension is our increasing elderly population, but is the reality reflected in our budget? For this financial year, the additional funding for the twelve months is just £4,000 and already the figure shows that just for the month of April 2020 there is excess expenditure of £15,000 on activities that the Financial Secretary correctly said on Friday are demand led. The recent introduction of charging at CCC is making a useful if small contribution to running costs. Away from money for the moment, the CCC has moved from a nursing care provision to a care provision. This has enabled staff to provide the very basic care needs for the forty-five residents and move away from medical interventions and recording, which was time consuming and entirely inappropriate. Staffing will continue to provide the Director with a number of challenges. One final point about that Directorate this morning is that the fostering campaign in 2019 resulted in the recruitment of two foster families who will replace the offer for any child or any children who may need to be looked after on St Helena. This was considered a success having been dependent upon a residential setting up until this point. On the social support side, SED is committed to examining the basis of the Minimum Income Standard basket. As we know, the MIS basket is updated twice a year and provides a basis on which Income Related Benefits and Basic Island Pension rates are calculated. A key piece of work relating to Social Support is the review of the Social Security Ordinance on which I gave an update on Friday having been given the opportunity to respond to an oral question on this subject. We heard on Friday too that the number of those receiving Income Related Benefits increased by 30% in the twelve-month period ending March 2020. This trend and hopefully data from next year's Census will assist in being able to calculate future budget provisions based on new data. As with all countries, the challenge ahead is how we move forward while at the same time keeping safe, that's the big question. For now though, it's about getting the best out of what we have. Somehow last financial year we seem to have got by and ended with a modest budget surplus. Let's hope we can at least do the same by which time a vaccine for Covid-19 might be just around the corner.

It remains for me to thank the Honourable Financial Secretary and his staff for the work to date and also to thank all those who over the past twelve months have spent endless hours of planning and re-planning a budget and as the saying goes, the more things change, the more they stay the same. Thank you, Mr Speaker, I support the Motion.

The Speaker –

Thank you very much indeed. The Honourable Jeffrey Ellick?

The Hon. Jeffrey Ellick –

Mr Speaker, I rise in response to the Appropriation Bill. I will not cover or reiterate some of what my colleagues have said, but focus on some of the things I see as issues that need addressing, but first let me commend the Financial Secretary and his team, along with Directorates and all involved for their hard work and efforts in completing the budget.

I will not dither around but get to the main points of contention.

Payments on behalf of the Crown. I do not agree that we should be taking £500,000 to upgrade the fish processing plant and the purchase of associated equipment, I don't have the full information at this time and I request that this particular allocation should be deferred. Therefore, I will be asking for a reduced budget at this time.

Mr Speaker, I have concerns about the TC budget as I do not believe that the way it was apportioned is proportionate to the priorities of this Government. However, in going forward, I expect that elected members will have an input on this aspect from the start of preparing the budget and not nearing the time for approval of the budget.

Just for information, elected members do not have political oversight of Corporate Finance and the Police. Going forward, changes have been made to eliminate this and we can look forward to having a Finance Committee where there will be political oversight and I hope there will be political oversight of the Police soon.

Lastly, I would like to express my gratitude to my colleagues for agreeing to make a financial provision available to support and kick start the implementation of recommendations or some of the recommendations of the Social Security Review once completed.

Mr Speaker, I look forward to the Committee stage. Mr Speaker, I beg to move.

The Speaker –

Thank you very much indeed. The Honourable Gavin Ellick?

The Hon. Gavin Ellick –

Thank you, Sir. As usual, it will be short and sweet as usual, don't have to worry over too much. I'd like to thank and congratulate the Financial Secretary on his budget speech, but you hear all these good things, right, and still have a rollover budget it still confuses me, so the Directors can't plan ahead because they don't know where to stand, so, for me, I challenge my Executive and my office again to do something better than what us been doing. You know what I mean, two years ago we were looking for some money for the Fisheries, we couldn't get it, presto, within couple of weeks we got £500,000, is this here for our new investor or this is for the actual plant. I beg to move on that, Sir, so please, let us see some really togetherness here and we really get something done for our people, because or lest we be suffering again, the people be bitching again, they'll be saying, you'll not doing nothing for us, what kind of Council you'll is, you know what I mean, so for me, I challenge you'll to come up, FCO, DfID, let's see what you can do and bring some more money to this island. I beg to move, Sir. Thank you.

The Speaker –

Thank you. Any other Member wishes to speak? The Honourable Mover, you may respond to the debate.

The Hon. Dax Richards –

Thank you, Mr Speaker and I'd like to thank all of the Honourable Members for their very valuable contributions to the debate this morning. Mr Speaker, rather than going through each person's specific comments, because there are a number where everyone commented on the same, I've grouped my responses together on a few different areas. So I'd like to first start by addressing one of the concerns that Councillor Christine Scipio raised around the 10-Year Plan and want to give you reassurance that the policy priorities that were set for this budget process and for the next budget processes going forward is always linked to the 10-Year Plan and those policy priorities were, as I mentioned in my budget speech, agreed by Executive Council at the outset of the process and that will continue, I give you my reassurance around that, but it is not only, but the 10-Year Plan also ensuring that we work towards delivering on the Sustainable Economic Development Plan as well.

If I can turn a little bit to the relationship, Mr Speaker, I fully take on board all of the sentiments that have been expressed by elected members around being in the situation where we have a rollover budget. It is not great for planning and it really doesn't help our Directors in delivering

on the outcomes within their strategic plans without having the first four, and in this case, three months of the budget taken forward under the rollover basis, it's not great for the delivery within such a short timeframe. So I also support what Members are saying, obviously in an ideal world we really do need going forward a long-term, multi-year programme of support from Her Majesty's Government even with this year's one year settlement it gives us very little flexibility to be able to look at activities that we'll be able to take forward in years two and three given the uncertainty around what things like Covid-19 is actually going to have on our funding going forward from Her Majesty's Government, so I agree with the sentiments that have been expressed, we really do need to work with the new Government Department which will be the merger of the FCO and DfID to try and ensure going forward that we can provide long-term stability for the people of the island.

If I can turn a little bit to the expenditure and revenue highlights. Quite a number of comments have been raised and fully agree around things like increasing efficiencies and productivity across the Public Service, that is one thing that we really do need to look to do as well as, I mentioned in my original budget speech, of looking to grow our local revenues, that is going to be key, especially going forward if we are going to be facing either standstill budgets or the prospect of future reduced budgets from Her Majesty's Government given the current circumstances.

A lot of talk has been mentioned around the TC budget and Members have raised some concerns around the governance arrangements, I just want to point out that Members are responsible for the allocation of the budgets, it is the Chief Secretary who is responsible for ensuring the priorities are met, by the distribution of those essential human resources, but we will be happy to look during the year at how we can keep Members better informed.

Councillor Clint Beard mentioned about the air service and why there was only £375k included under the Access budget. That isn't actually for the Air Service Agreement Contract, that Air Service Agreement Contract sits outside of the SHG budget and is reimbursed directly by DfID, so the £375k that you refer to is actually for the Access Directorate's expenditure and the associated Contracts for like the Met Office service, for example.

Councillor Scipio mentioned about housing and local investment, I fully agree with you. You remember last year's budget speech actually focused a lot on what we're doing to encourage more first-time house building. You'll be aware from the work that's been done through the Economic Development Committee of working with the Bank of St Helena to try to build that relationship and encourage and facilitate more building of homes and especially for first time house building, so that work will continue and we're expecting the Bank to return to EDC in July, as you will be aware.

If I can also talk a little bit about the Covid-19 situation. Again, fully agree with all Members concerns. There is great uncertainty in the future, not only on St Helena, but globally, around the challenges that Covid-19 will bring. We hope and we do hope that we will see some form of a tourism industry return at the end of this summer season, but obviously we are unfortunately impacted by those circumstances around us surrounding access, but I would like to echo Councillor Henry's comments around those who took part and helped with the construction of Bradleys and to pass our big thanks to those members of the private sector, but also a large proportion of the public service actually went out of their way to be able to ensure that that facility and the associated services were delivered on time, and as I mentioned earlier, a lot of that was only done in a six-week period, so I would like to again extend my thanks on behalf of the Government to those members of the private sector and also of the St Helena Public Service who went over and above to be able to deliver those key facilities for us.

Turning now to the future works and some of the key reforms, Mr Speaker. A lot of discussion today centred around the Labour Market Strategy and I really do agree with some of the sentiments that have been discussed here, especially in terms of things around succession

planning and ensuring that we continue with our training and development programmes and I think it was Councillor Essex who mentioned that we've unfortunately had to potentially reduce some of those training programmes that was actually in place for this year. Whilst we had to reduce it to deal with the budget situation, you also have the access issue where unfortunately people can't get in or out of St Helena which has also not helped that situation as well.

The support for the Social Security Review, I think all of the Members have mentioned around how important that piece of work is for you all in terms of your priority areas and I do think that it is something that we will have to take into consideration as we go forward into the next planning period, but I will reiterate my advice to you already when we discussed this in the many discussions that we had, you can't just look at this in isolation, you do need to reform or consider reforming the pension system at the same time otherwise this will be something that will be totally unaffordable for the public service in the future, so when we look at those reforms later on in the year I would reiterate my message to you in terms of having to consider the implications on the pension system as well and the possible need for additional reform.

Councillor Henry talked about some of those returning from overseas on scholarships and how do we look after them. Just to advise, there is a graduate scheme that is now in place and there is a wider pay policy review across the whole of the public service that is also starting as well to relook at pay policy, pay scales and how do we encourage and retain our employees within the public service, so that work is ongoing and will continue to do so for some time.

I think a question was asked around the Subsidies Policy and when that will be going forward. I did originally say it was going to be this week, but I believe that's now been pushed into the next session of Executive Council and just to confirm it will be an open session for everyone to be able to look at those papers.

Some mention was made of an additional tax bracket, I think at least three Members talked about an additional tax bracket going forward. As you're aware, we do have the Tax and Revenue Working Group that looks at different sources of revenue each year. The additional tax bracket was looked at in this financial year and if Members feel this is one area that you would like to take forward in the next financial year then obviously we will have to take that on board as part of the Tax Revenue Working Group when we come up for recommendations to come to Members for increasing revenues, so I can give you our assurance that those works are underway, we've done quite a lot of work on that already, it's just about bringing it forward for implementation if that is the will of the Council.

A lot of talk has been given to these key projects for the island, specifically for the Fibre Optic Cable in terms of the contract with Google, but also the Renewable Energy Project where Connect has signed an agreement or a Power Purchase Agreement with PASH Global. I fully agree with what Members have said, these two, not only these two, but these two particularly have the potential to transform part of our economy if not a significant part of our economy and I just want to reiterate as I've mentioned in the budget speech, that work is ongoing to relook at the tariff proposals and a tariff structure particularly. I think Councillor Henry mentioned about the need for higher energy users to be given a better price on their utilities and that is definitely something that we are exploring and that, again, is something that we will be looking to roll out towards the end of this financial year if there's agreement to take forward a new tariff proposal.

Turning now, Mr Speaker, just to bring it all together, I think my friend, Councillor Isaac summed it up quite nicely when he said people take for granted what we actually have here on St Helena, I fully agree with Mr Isaac. You know, we've been lucky to be able to keep Covid-19 off the island so far this year and there are difficulties that are faced by any economy and any country across the world which results in some very difficult choices and as we've said throughout this budget session so far, every Member or all Members have had to make a

number of difficult choices to be able to get a balanced budget, but growing our population is quite key, Mr Speaker, going forward, with just over four thousand people now it is not sustainable for us based on our birth and death rates at the moment, without some significant change to our Immigration stance to actually go along and grow our population to give us a more sustainable tax base, but also customer base for our businesses out there going forward. I think a lot of work has been done over the last two and a half years by the Working Group and that is hopefully coming to fruition now in terms of bringing forward a policy in the not too distant future to be taken out to public consultation and it will be very good if members of the public can actually go along and contribute, I'm sure they will to such a key topic for the island.

I would also just like to say, mention has been made around Covid-19 and the implications for future budgets and I think that is absolutely correct, we will have to review all of our plans going forward in light of the Covid-19 situation and we need to relook at SHG across the piece and I think throughout the budget discussions, I know Councillor Ellick has been always talking about we need to look at what do we do as our core services going forward and what can we stop doing as a Government, and I think that is an important piece of work and with the Governance Reform that is currently in place and ongoing, I think that is an excellent opportunity there for us to relook at all of SHG's services across the piece so that we align what any future political system will look like and align the needs of that system with the resources that the public service can actually provide.

So, Mr Speaker, I just want to say thank you again to all of our Members, you know, we must work together, it is essential that we continue to work together to deliver the long-term benefits for the island and I would just like to also thank again all of our Directors and all of their staff for their contributions to the budget and I look forward to going through the detail of the budget during the Committee stage.

The Speaker –

Thank you very much indeed, Financial Secretary. Honourable Members, I think if we take this Bill through the Committee stage at this time we're going to run well over our lunch break, so if I can have your agreement, approval that we adjourn for lunch right now and come back again at 1 o'clock? Yes?

Question on Adjournment, put and agreed to.

The Speaker –

The Ayes have it, then we will adjourn for lunch. Thank you, Honourable Members.

**Council Adjourned.**

**Recording Ends.**

**The following is the remainder of the Order Paper for the day.**

**1. The Hon Derek Thomas**

That the Control of Tobacco and Related Products Bill, 2020, be approved in principle and referred to a Committee of the Whole Council.

**1. Elections**

- Elections for Executive Council
- Elections for Chairpersons of Council Committees

**2. Adjournment Debate.**

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**Honourable Speaker**

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**Date**