

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

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**THE SPEAKER**

The Honourable Eric William Benjamin

**EX-OFFICIO MEMBERS**

The Honourable Chief Secretary	-	Mrs Susan O'Bey
The Honourable Financial Secretary	-	Mr Dax Richards
The Honourable Attorney General	-	Ms Sara O'Donnell

**ELECTED MEMBERS**

The Honourable Clint Richard Beard  
The Honourable Gavin George Ellick  
The Honourable Corinda Sebastiana Stuart Essex  
The Honourable Anthony Arthur Green  
The Honourable Lawson Arthur Henry  
The Honourable Kylie Marie Hercules  
The Honourable Brian William Isaac  
The Honourable Cyril Kenneth Leo  
The Honourable Christine Lilian Scipio O'Dean  
The Honourable Derek Franklin Thomas  
The Honourable Russell Keith Yon

The Honourable Cruyff Gerard Buckley (Absent)

**CLERK OF COUNCILS**

Mrs Carol George

**PROCEEDINGS OF THE LEGISLATIVE COUNCIL**

Monday, 30<sup>th</sup> July, 2018

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**  
(Father David Hall)**3. ADDRESS BY THE PRESIDENT**

Honourable Members, Ladies and Gentlemen, good morning to you all and welcome to the second sitting of the seventh meeting of formal Legislative Council. Today, Honourable Members, we will resume the debate on the Appropriation Bill, 2018. The Bill has progressed to the stage where the Honourable House will now debate the Budget Speech which has been eloquently delivered by the Honourable Financial Secretary at the first sitting of Council on Friday of last week. Honourable Members are, of course, aware of the procedure, but it might be helpful for our listeners to know that the debate that follows at this stage will be focused on the principles of the Bill only and not the detail. The detail will be debated when the House later moves into a Committee of the whole Council. At that time, Honourable Members will be able to discuss more freely each Head of Expenditure and its associated revenue estimates. The full procedures are found in Order 13 of our Standing Orders to which I will invite Honourable Members attention. I said in my opening speech that the process for an Appropriation Bill is rather different from that of an ordinary Bill. Unlike an ordinary Bill there is only one opportunity to debate the principles of this Bill.

The only other item of business on today's Order Paper, Honourable Members, is the Adjournment Debate which will bring this session to a close. I wish Members well in their deliberations today and without any further delay I shall invite the Clerk to call the next item of business. Clerk?

#### 4. THE APPROPRIATION BILL, 2018

##### *Resumed Debate – The Honourable Financial Secretary*

###### The Speaker –

I put the question that the Appropriation Bill, 2018, be approved in principle and referred to a Committee of the whole Council. Honourable Members, the Motion is now open to debate. The Honourable Lawson Henry?

###### The Hon. Lawson Henry –

Thank you, Mr Speaker. Mr Speaker, Honourable Members, I rise to congratulate the Financial Secretary on this his second Budget Speech to this Honourable House. I support his report of what SHG has, in fact, been able to achieve over the last year and need not repeat it here today. This has been against a background of many challenges we have faced and still does. Whilst we do not have a budget that is to all our liking and was not what we had hoped for, it can still enable the Government to continue its essential and public services to the island. I just want to remind us all that we still have on this island of ours what so many people in the rest of the world crave for and that is tranquility, and, more importantly, our security, something which I believe we all take foregranted. There are many places in the world that are a lot worse off than we are here on St Helena and we all need to at times reflect how very fortunate we all are. That is not to say, however, there is no room for improvement as there certainly is and it is this Government's responsibility and that of HMG to address a number of issues, some of which I would like to highlight.

Mr Speaker, Honourable Members, this is the second consecutive year that this House has had to have a rollover budget because of the failure of HMG to agree a settlement in time for an Appropriation Bill to come before this House so that we can take into effect at the start of the financial year and not four months later. It is hoped that in going forward this matter can be addressed by HMG so that we can better manage our budget. There is now just eight months in which Directorates have to plan the proposed spend and this is not good for either planning given the logistical challenges we face in having to bring in just about everything to the island by sea freight, nor is this good governance. As has already been stated, this is going to be a difficult year for the island, our economy is struggling, so is the much looked forward to tourists, which was to be our key economic driver. We are in the very early stages of air access and we should accept it will take time to build the service. We appreciate the approval of the second flight and also the recently announced companion air fare for travellers to and from the island. There are, however, two further fundamental interventions that need to be taken if we are to attract a higher number of visitors. One was identified by the Financial Secretary in his speech, that is, the reinstatement of the Cape Town leg of the air service; the second is the cost of the fares. As I mentioned in this House previously, this service is very different to the one predicated in the DfID Business Case for the air service to the island. It needs to be said the current service has been imposed on us because of DfID's failure to follow the recommendations of the feasibility study in relation to runway alignment and the wind study before the runway alignment was determined. The consequence is that we have a much smaller plane with reduced capacity and this is why the cost of the fares are so high. This is one, if not the fundamental reason why we are not getting the tourist numbers. This is not right and unless we address this now we are going to find ourselves in the same economic gloom again next year. St Helena has played no part in the situation we find ourselves in, yet it would seem that we are having to pay for someone else's mistakes. DfID therefore needs to accept their shortcomings and do the right thing as if not we will be here next year talking about low tourist numbers. Surely it is better to fill the plane with lower fare costs than to continue as we are

now. This is not rocket science, but simple common sense, more importantly, it is the right thing to do here for us on St Helena if we are to have a future in air access. HMG must address these two fundamental issues with some urgency. I would also like to remind the House that the service we have is supposed to be an interim one and we should never forget this. St Helena will not be able to reap the much hoped for benefits from air access if these two fundamental issues is not addressed. We have already had to provide business support package to accommodation providers, and, indeed, SHG own hotel. Both these interventions have come at a significant cost to the taxpayers and it's the most talked about issue on the island and abroad. I believe, however, for now, this was the right decision. It is not, however, sustainable and it's very unlikely to be available longterm nor should we accept. Therefore, DfID needs to act now on reducing the cost of the fares and reinstating the intentions of the air service. It is hoped these two components will be picked up in the air service contract review and is being undertaken now. The island has likewise had to bear the impacts of HMG not honouring their promise to support the island in the transitional stages from sea to air access, nor have they taken into account we have a very different air service to the one the business case for the airport was predicated on and it seems to me that St Helena has to suffer because of this. I hope, therefore, that in going forward these issues will be addressed.

Mr Speaker, Honourable Members, just a day before this House was due to sit to consider the budget the Minister confirmed in an e-mail, as stated by the Financial Secretary, that DfID would provide support in managing any unforeseen financial shortfall in contingency should this arise within the financial year and that he would work with us to provide a capital programme. The Minister made a plea to elected members to approve the budget. This news is very much welcomed by us all, we have waited months for this and could have already approved the budget had this decision been taken from the onset. The Minister's statement, in my view, is an admission by him that we have a shortfall in funding on the outset as we have argued that it did not provide for the reasonable needs of the island. I do, however, very much welcome the Minister's statement. I also hope, Mr Speaker, that in going forward the commitment given by the Minister to refine the process by which DfID undertake to reach future settlements, because this is where the problem rests, as there is simply no system in place that we can follow the process and understand how the reasonable needs of the island is reached. I very much look forward to seeing the result of the work the Minister committed to undertake with SHG to build a much needed programme as this is the one element of funding that could bring economic stimulus to our economy. I also look forward to the next FAM visit which I hope will be done under a new policy which not only sets out the process, but has a clear formula on how the reasonable assistance needs are reached and the subsequent settlement matches those needs.

Mr Speaker, I would also like to pick up on a number of points raised by the Financial Secretary. I, too, welcome the support by the FCO to fund Immigration Service, but what happens in the outer years, are we expected to find additional funding? If so, where is this coming from? We heard from the Financial Secretary in relation to the reduction in the training budget for local staff. Is this likely to impact on succession planning? Yet at the same time funding set aside for litigation have to be returned to DfID if not used. This is against a background of our failing economy. How can this be reconciled with meeting the reasonable needs of the island, and, indeed, the Minister's own statement in the e-mail sent to us last Thursday, 26<sup>th</sup> July? There is a lot more I could say about the poor governance of this island, but that will be for another day as an opportunity has just presented itself although we have not been officially told about it. I will address this in the Adjournment Debate.

Mr Speaker, Honourable Members, I would like to thank the Financial Secretary and his team for all their hard work in preparing this budget before the House today. I support the Motion that the Appropriation Bill, 2018, be approved and beg to move. Thank you.

The Speaker –

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

The Hon. Dr Corinda Essex –

Thank you, Mr Speaker. First I wish to declare my interest as President of the Chamber of Commerce. Mr Speaker, we have an Appropriation Bill before this Honourable House today that we are all aware is inadequate to meet all the immediate needs of St Helena, but which allocates the funding envelope available as effectively as is possible under the circumstances. Had the Department for International Development, DfID, approved St Helena Government's bid for an additional £1.4m grant in aid and funding for a capital programme St Helena would be in a strong position to make real progress and move towards a more sustainable future, but unfortunately this did not happen so we are left with a budget that will do little more holistically than maintain the status quo as gains in some areas are largely offset by reductions elsewhere. This situation is extremely undesirable in the current critical transition period between the commencement of air access and realization of economic benefits that should result. I understand the financial constraints of the British Government which are causing austerity measures to be applied within Britain itself, but nevertheless question the wisdom of withholding relatively small amounts of financial support which would protect its previous investments, reduce the level of funding required in subsequent years and help St Helena's economy to grow which in due course would enable the island to become less aid dependent which is the ultimate goal of both the British and St Helenian Governments.

The 2018/19 budget process appears to have been seriously flawed almost from the start. DfID and St Helena Government must ensure going forward that this does not reoccur. The Financial Aid Mission, FAM, visited late and thus its submission regarding a proposed financial settlement was also late. As a direct result, a rollover budget was again necessary, although St Helena had made strong representations regarding the undesirability of this when it occurred in 2017/18 and my Honourable Friend has already alluded to some of the problems that were caused. In addition, whilst elected members and officials endeavoured to put forward the best possible case for St Helena there were some worrying indications that some of the visiting team had already come to a conclusion as to what it would and would not support and at what level and that the visit was therefore primarily a monitoring exercise rather than an opportunity for real negotiation, reassessment and collaborative working. It is important that there is greater clarity regarding the core function of future Aid missions and that more constructive dialogue is established and maintained both before, during and after such missions. Letting us know at an early stage where and why there are likely to be red lines and providing prompt feedback would help enormously. Indeed, St Helena Government was not made aware of the level of, or conditions relating to, the settlement recommended by DfID officials and so when elected members requested a teleconference with the Minister of State for International Development to stress the importance of adequate financial support during this phase of transition we were unsighted regarding the stance of DfID officials on this matter. This undermined the possibility of meaningful dialogue let alone negotiation. Until recent years, an Aide Memoire was signed at the conclusion of each Aid Mission which contained an indicative figure that would be proposed for the settlement, although it was fully accepted that this would still have to meet with ministerial approval. This was a far more open, constructive and transparent approach which provided a clear understanding of what aid was likely to be forthcoming and what, if any, conditions would be imposed. The only early decision that was shared with us was that the settlement would be for one year only once again. This confirmed that all the concerns raised by elected members and officials in 2017/18 had not been heeded. Again, I question the wisdom as forward planning and achievement of St Helena's strategic objectives are negatively

impacted, which is contrary to the best interests of St Helena and impedes the very growth in self sufficiency that the British Government is always keen to emphasise is needed. However, it is very pleasing to note that Ministers have agreed to consider moving to a multi-year settlement going forward. This is not the first time that our expectations have been raised on this issue only to have them dashed later. We must work together to ensure that the promised consideration translates into formal approval. When the proposed financial settlement for 2018/19 was finally made known to St Helena Government, it did not occur until towards the end of April, it was encouraging that provision had been made to meet the likely cost of known ...?... litigation for which the British Government has a contingent liability, but that was about all the really good news as almost all of the uplift of £1.1m has to be used to absorb air access related costs previously borne by the Airport Project and also cover the ongoing cost of transporting cargo from Rupert's Bay to Jamestown by sea, because the capital funding required to make cargo discharge at Rupert's safe and viable has not been forthcoming. Elected members and officials were then faced with what could be described as a damaged limitation exercise in order to try and make sure that St Helena gets the best value from the inadequate resources available. This placed a huge burden upon us all and I wish to pay tribute to those involved who had to make very difficult choices and in some instances propose reductions in expenditure that we're all aware are going to have negative impacts and could potentially undermine achievement of not just Directorates' strategic plans but St Helena's Ten Year Plan and Sustainable Economic Development Plan. It was at this point that a pressing need for an additional £1.4m became evident and a bid was made. It was rejected by DfID without any explanation let alone justification being provided for its actions. Thus we had no alternative but to work within the limits of the financial aid contribution already agreed by DfID or attempt to raise substantial additional revenue. The Consolidated Fund is still depleted although deposits are slowly growing and any drawdown from that would leave no cushion against exogenous shocks. Given the current state of the local economy and the financial hardships being increasingly felt both by local businesses and the public any major revenue raising initiatives would do more harm than good. This was fully recognised by elected members and officials and thus, as an example, there are not higher rates of income tax being proposed, instead consideration for lower taxes for businesses directly supporting achievement of the SEDP is going to be given.

Mr Speaker, I do not expect much challenge to the details of the Bill at Committee stage as each budget line has been scrutinised, interrogated and debated before bringing it to this Honourable House today. The public can be assured that elected members have shaped the content of the Bill as far as has been possible through a thorough and demanding prioritisation of the priorities. This was both exhaustive and exhausting. I will leave it to the Chairman of the relevant Committees to elaborate on the outcome of this exercise, but it was made possible from positive improvements in key areas, such as assistance to the most vulnerable and the efficiency of service delivery, which I know will be welcomed by constituents. However, the end result is that we have a budget that is the output of dozens of meetings and hours of work on the part of elected members and officials, but which is still far from satisfactory in many respects because we cannot access the additional funding required. What makes the situation even more worrying is that we were only able to achieve a balanced budget by delaying some key activities until the next financial year beyond which further delay would cause serious challenges and some unacceptably high risks. This presents all elected members with a serious dilemma. Should we pass the budget, although we are aware of its shortcomings or take the high risk action of rejecting it in the knowledge that our Constitution only allows for a possible delay of a further four weeks? This is the decision that we will have to make today based upon which course of action we believe is most likely to benefit St Helena and its people. The constituents with whom I have spoken hold differing views regarding the best way forward.

It's fair to state that the majority have serious concerns, both with the current situation and the future, but many are of the opinion that there is too much at stake to take the chance.

Mr Speaker, I have already expressed dissatisfaction about aspects of the budget process and the level of funding available, but the continued absence of a capital programme is even more disturbing. In April, DfID stated that Ministers had agreed to consider options in this regard and officials can seek advice from Government and elected members where required. To date, three months later, as far as I'm aware, such advice has not been sought, which is very disappointing. However, in a communication received from London last Thursday, DfID's commitment to working with St Helena Government in order to establish a new capital programme is clearly restated. Perhaps the tide has changed at last. It is extremely pleasing to note that recent notification has been received that St Helena received an A in the evaluation of delivery of its last capital programme. I wish to congratulate all concerned on this excellent result. Mr Speaker, it's imperative that a new capital programme is agreed as a matter of urgency and I am very heartened that DfID appears to now be giving this the high level of attention that it requires. If DfID were to change its stance it would be a total betrayal of trust and destroy the possibility of a productive working relationship predicated on the mutual partnership values as I'm sure DfID recognises fully. As my constituents know, when I campaigned for election I've never been one for making promises, but I do promise this Honourable House and the people of St Helena that I will do all that is legal and within my power to ensure that an adequate and appropriate capital programme gets approved and implemented as speedily as possible. The same last minute communication suggested DfID is also aware that the financial aid negotiation process is in need of improvement. Mr Speaker, this provides a glimmer of hope that the flaws which I have just outlined will be addressed and we must all stand united and press for a better way forward. Additionally, DfID's openness to assisting St Helena to manage any unforeseen contingency or financial shortfall has been expressed and this provides a further indication of commitment. Some may dismiss this seeming good news at the last moment as political posturing at a critical point in the budget cycle, but I will on this occasion accept DfID's statements of intent at face value as they came from the highest level and I trust that they mark the start of an enhanced constructive working ethos that will benefit St Helena. I hope that I will not be proved to have been naïve, but there is a crying need for a step change and this is more likely to be achieved if all parties are prepared to listen, bury old hatchets and above all communicate, exhibit mutual respect and avoid assuming entrenched positions.

In conclusion, I wish to pay tribute to the Honourable Financial Secretary, Deputy Financial Secretary, Directors and all staff members who have played a key role in developing the budget before us today. It was an extremely difficult and frustrating task. I also wish to acknowledge the active and sustained participation of all elected members. We fought hard to achieve the best result we could and were united in our determination to challenge, probe and press forcefully when necessary. The outcome is not really what we like but it certainly could have been a lot worse without the efforts of all those involved and it does at least give us a starting point towards the new activities within the current financial year and for those reasons, Mr Speaker, I reluctantly support the budget. Thank you.

The Speaker –

Thank you, Honourable Member. Councillor Brian Isaac?

The Hon. Brian Isaac –

Thank you, Mr Speaker. I was able to reflect over the weekend on the Financial Secretary's speech on Friday and thank him for all the work that has gone into the preparation of the budget before this Honourable House today and my thanks also to everyone else involved in SHG and

in London. The months leading up to today to have a balanced budget has been frustrating, demanding and challenging, knowing that the impacts where unpopular decisions have been made and setbacks have come when we all are striving for a better future for St Helena. As the Financial Secretary highlighted, the current financial year has been a difficult one with no capital programme. The private sector continues to struggle to survive and we all know that without a thriving private sector the economy will not grow. We are all aware of the projects that cannot progress because we don't have capital funding and the impacts these will have on these unfinished projects and also have on our current budget. The social impacts will affect the livelihoods and the futures of those less fortunate on the island. We are in this situation because we were made to believe that air access would be able to grow a thriving tourism industry which in return would grow the economy and St Helena would become less dependent on financial aid from DfID. Unfortunately St Helena is in a very difficult position and continues to face many setbacks in the tourism industry and the private sector. Yes, I will agree there have been many positives for the island, but we are a long way from where we would like to be. DfID recommended the need for greater partnership and less micromanagement from London, but this has proven not to be the case as we have been micromanaged and the partnership values seems to be a one way street and I do respect the reassurance of taxpayers' money but what we must be given credit for the financial safeguards and procedures that are in place. Only having a rollover budget for the first three months has not supported the island in going forward, despite the many teleconferences with senior MPs and officials in London, the many questions asked in Parliament by MPs and the Lords on the state of the affairs of St Helena following the opening of the airport. Mr Speaker, in the budget speech the Financial Secretary highlighted many areas of concern, such as the economic backdrop, draft financial outturn 2017/18, revenue/expenditure, the optic cable, second weekly flight, renewable energy, but a few of the topics mentioned, but in many situations the devil is always in the detail. The budget presented to DfID requested £30.1m to support the island's local revenue was rejected, but they made available £27.1m, leaving a deficit of £3m. During the negotiations, DfID gave no positive indication of a capital programme for the island. Following reprioritization of the budget, a further request was made for an additional £1.4m to support some unfunded infrastructure priorities which was again rejected by DfID, again, no mention of a capital programme. The Financial Secretary also said on Friday that an undertaking has been received from the UK Government who are open to help St Helena in managing any unforeseen budget pressures should they arise within this financial year. The Financial Secretary commended this to be welcome news. My concern is why such good news at the twelfth hour with no firm commitment just hours before the budget being presented when this debate has been going on for over a year? This statement directly from the UK Government for anything other than reasonable needs which I hope I am wrong. Mr Speaker, there are so many uncertainties at this time in St Helena whilst the island goes through this transitional period with low tourism numbers, high cost of living, a declining private sector, high air fares that are outside the reach of most Saints and the list goes on. All of these issues will have a negative impact and we will continue a downhill spiral unless the UK seriously listens to what we have to say. I've been aware of the ...?... ....?.... positions, positive improvements made over the years, which has been highlighted by the Financial Secretary, but we are a long way from what we predicted for the island in moving to a more self sufficient economy. Mr Speaker, I would pass this budget presented to this Honourable House today as a responsibility that lies on good governance, but with much reluctance, knowing that the island must continue to provide the essential services as health and education, moreover other relevant services. My reluctance is mentioned knowing that the budget will not provide for all the needs, but we as a responsible government must ensure that the most vulnerable of society is protected. We must continue to hold DfID and the FCO accountable for their responsibility to St Helena as a territory of the United



Kingdom. The recent commitment announced by the Financial Secretary on Friday that the UK Government are open to helping St Helena address unforeseen budget pressures should they arise within the financial year, a strong statement made, but we have heard similar statements before, which did not materialize. The statement is very open-ended and no guarantee of commitment and I do have concerns. With respect, Mr Speaker, I would ask the Financial Secretary in his response to this House how should we as a government now work with the UK Government in holding them accountable to their commitment? My final concern which I have some difficulty with is the UK Government knowing that we have been waiting for funding for a capital programme for over a year and then to make such a statement that they are open in helping St Helena, but could not support the request for £1.4m support for some of our unfunded priorities. Mr Speaker, I will remain optimistic at this time and hope we can work together for the betterment of St Helena. Thank you, I beg to move.

The Speaker –

Thank you, Honourable Member. The Honourable Derek Thomas?

The Hon. Derek Thomas –

Mr Speaker, Honourable Members, I rise in response to the Financial Secretary's speech on the Bill for an Ordinance, the Appropriation Bill, to provide for the services for the financial year 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

Having worked on a rollover budget for the past four months has been far from satisfactory. It has impacted on the delivery of services within the various Directorates, particularly in Health and Safeguarding. Although we are grateful to Her Majesty's Government for the financial aid they have provided for this financial year of £27.1m, we had expected to see an uplift in order to maintain and develop current services and as the Financial Secretary alluded to, officials with elected members had to spend a considerable amount of time in order to achieve a balanced budget. This year's budget settlement will see an uplift in the Minimum Income Standard for those persons in receipt of Income Related Benefits and Basic Island Pensions and I'm sure this will be most welcomed by those people who are in receipt of such a low income and have to face the recent increases in water, the sewage charges by Connect and the increase from SURE. However, I do see the need for a further uplift in the Minimum Income Standard once the results of the shopping basket is made known next month by the Statistics Section. The last review, I understand, was carried out in February of this year and one has not been done since our cargo has been transported by the MV Helena. We know there have been increases in freight charges and basic essential food goods in the shops have gone up in price. No increases have been factored in the Minimum Income Standard to take account of this and when discussed at the recent Social and Community Development Committee meeting we were given an assurance that some funding has been factored into the budget to take account of this once the result of the shopping basket is made known next month. It is also pleasing to see that some money has been allocated in the budget to assist the most vulnerable members of our society with access to free medical treatment, particularly in the case of the elderly, and as the Chairperson of the Public Health I am extremely grateful to Honourable Members for their support in prioritising this funding and with the support of the Health Directorate and Committee we will work up a policy to best support this funding for our people who are struggling to pay for medical services. The Financial Secretary's correct, although this year has been a struggle with many challenges; no capital programme, low tourism numbers, price increases hitting our people and it goes on, despite all of this we have made some progress, we are seeing good results, to name a few; the Community College, PASH Global for renewable energy, the launch of the Saints Together Campaign, which has had good public buy in; successful knee surgeries being conducted on island, and I know that members of the public

alluded to the fact that this has not been the first time that knee surgeries have been carried out on the island, it has happened before by Orthopedic Surgeons coming to the island, but here we have a residential Orthopedic Surgeon to do this work and I will say that good progress is being made in this particular area. We are going through a difficult period, but there are opportunities on the horizon – the Fibre Optic Cable, second weekly flight in December, we just need to hang in there, although there is the challenge of high cost flight tickets, a factor which is putting business off, and I hope in going forward this issue can be addressed. The discount on the Companion Fares or tickets during the slow period from August to December should be a boost to the travelling public.

With the absence of a capital programme it is having a real impact upon our economy and sheer frustration from the public: a Jetty at Ruperts which cannot be fully operational, inadequate sewage systems which is preventing house building in the Comprehensive Development Area in Half Tree Hollow, together with other essential projects. Private sector contractors are downsizing their workforce due to insufficient work to keep them employed. It is pleasing to hear that there is the firm commitment from Her Majesty's Government to consider funding for a capital programme and we will be pushing hard to quickly have this in place to enable essential critical infrastructure to take place.

Mr Speaker, we have been able to balance the budget this time round, mainly by delaying certain activities and specialist support. We will not be able to do this next time, there simply will not be the scope since such activities and personnel will be in place. If current services are to continue and allow for development we need to start planning now in our negotiations with Her Majesty's Government for an adequate budget settlement for three years. Budgets from one year to the next is not ideal and does very little in terms of sustainable development, especially when we have to suffer from a rollover budget for the past two years.

Mr Speaker, in conclusion, I would like to thank all those who have contributed to this difficult budget process, a lot of long hours and hard work have been put into this process. I will give my support to the Bill for an Ordinance, the Appropriation Bill 2018/19, given the circumstances I believe this is the right thing to do. Mr Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. The Honourable Anthony Green?

The Hon. Anthony Green –

Mr Speaker, I will support the Appropriation Bill being approved today. That said, I will now provide some comment. First, it's right to say thank you to Her Majesty's Government for approving grant in aid to support our budget. The FS said on Friday that this budget strikes a balance by resourcing key priorities whilst mitigating against significant risks. Most of us will agree that while a budget has been balanced it is underweight for all essential needs. Steps have indeed been taken to mitigate what is seen as key risks, but many others remain. Mention was made of all that has been achieved, and correctly so, too often too much focus is on what hasn't been done. From what I see from efforts being put in by elected members, is that what hasn't been done hasn't necessarily been forgotten. There are issues to which we need after today to turn our attention to, if this budget is passed. Most of the problems we have emanate from the failure of delivery from what the expert predicted, the cometh the airport cometh the start of an economic boom. Not so, says Mr Wind Shear, you forgot about me. However, there's only one way forward. That way, whatever that way is, needs the support of everyone on St Helena. Our financial wellbeing is now very different from what had been hoped for and now we see that there are problems and we need to take stock. We're now in a different place; we need a new battle plan based on reality. We need a fit for purpose Memorandum of Understanding to match our circumstances. Our current low visitor numbers will provide the

basic data for calculating the way forward. After all, the extreme predictions of high visitor numbers and the resulting failure to achieve these are key factors as to why we struggle today with putting together a fully, adequate budget. Yes, it balances, but based on work carried out by our financial people, it falls short of our needs. The past is where we were, that was then, but now is that we have an airport which hopefully will develop, perhaps slowly, over time. With the planned Submarine Fibre Optic Cable we still stand a good chance of gaining a platform for future economic prosperity. Mention was also made in the budget speech about PASH Global and that there is some optimism that this renewable energy project would eventually reduce electricity prices. I think while this may put a tick in the environmental boxes, it's a project that SHG as the owner of Connect, needs to pay very close attention to. Our challenge at the moment in time is to get from where we are now through to the future. Make no mistake, it will be tough. For me the start of moving forward is approving the budget before us today. Yes, it's not what we wanted, nor does it meet everybody's needs, but to reject it would mean that we would have more serious problems in key areas. We also need to continue finding ways to support those entrepreneurs out there who also took big risks based on early predictions. In respect of the budget before us today, my particular area of interest relates to social matters. Therefore, I'm pleased that Safeguarding has done very well in this budget. It has been given an extra £0.4m, an increase of 15.9%. There's more money for home care support, there's funding to develop a specialist service provision for children and young people with complex needs and there's funding to increase staffing at the CCC and money to support Child in Need policy. Also, if this budget is approved, we can increase Income Related Benefits and Basic Island Pension almost immediately. If I didn't support this budget I would feel that I would be denying the more vulnerable people of our society as well as the important services the additional support that they so badly need. I trust other Members will feel the same. That said, there are many areas that have not been so fortunate, but I believe that comment on how other sectors fared to other Members. It may appear that achieving a balanced budget before us today has been easy and a cosy ride, no, mountains of information, endless updating of spreadsheets, costs and discussions with Committees and Directors and ongoing dialogue with officials. Achieving a budget with less money that we would wish for was extremely difficult; all this also took up a lot of time. There were interventions with DfID, both oral and written, plus video conferences with the DfID Minister. I believe that these strong representations from both elected members and officials has at the eleventh hour produced results in that the Financial Secretary was able to say on Friday two things. First, and I quote what he said, "We have since received an undertaking from UK Government who are open to helping St Helena in managing any unforeseen budget pressures should this arise within the financial year". Secondly, he said that there was good news that there is now a firm commitment from HMG to consider funding a capital programme. As far as I know, until last week there had been no news of a capital budget. This has been a major concern to all elected members. That said, a firm commitment is one thing and the key questions in simplistic terms is when and how much, as the problem we have is now.

A few comments now on the figures which we have been given, I note that the £40.9m representing the Government expenditure budget for public spending represents a net decrease of £1.2m, also that DfID's contribution is £27.1m, down by £1.6m. Both reductions are a burden as we move from economic development underpinned by sea access to one driven by air access. We heard as well that CSSF is making a contribution of £236k, this is welcome, but short-term support can give problems in later years when that sort of funding is no longer available. As I said at the outset, I will support the Appropriation Bill before us today, which, if passed, will authorise the issue from the Consolidated Funds the funds necessary to meet Government expenditure for the remainder of this year. I don't see this as an end of the process, but rather the beginning.

Finally, I thank all those involved, officials and elected members for their contributions in getting the budget thus far. Mr Speaker, I support the Bill. I beg to move.

The Speaker –

Thank you, Honourable Member. The Honourable Christine Scipio O’Dean?

The Hon. Christine Scipio O’Dean –

Thank you, Mr Speaker. Mr Speaker, firstly I would like to congratulate the Honourable Financial Secretary for his budget speech. Last year, I had stated, hopefully we will have a more positive speech next year, not realizing how challenging this last year would have been. It has not been easy for the Financial Secretary to put together a budget as he has highlighted throughout his speech we are facing a difficult period, a very challenging period, a transitional period, he has also stated “we are at a crossroads again”. I would like to stress that this time it is different. We are currently at a crisis and we need to re-examine, take a hard look and face what is really happening if we want to build a future for the people of the island who we represent, people and family are at the centre of any development. It is shown that there 4,102 St Helenians on the island in 2017. If this number includes children of school age and under, the working population is well under 3,000. This is the human resource and main tax base that has to deliver all the services of Government. It is also the sector that has to pay most of the taxes. In the UK, 4,100 residents would only be a small town or village and would not have to be able to deliver all the national services which people on St Helena are being asked to do. It places a huge burden on our community. The main development of the economy set out in the budget is based on air access and tourism. It is stated that the island’s economy and tax revenue has grown significantly in recent years due to large capital investments which includes the airport project. In fact, just about all of the capital for the airport has come from British aid. With the airport in operation this has now stopped. There has been little in the way of funding for the capital programme. This has led to the financial crisis we are now experiencing as the income from tourism connected with the airport has not materialized. With the focus on tourists coming by plane, we must also look at increasing the number of tourists who come by sea. The Memorandum of Understanding signed by the St Helena Government and DfID in December 2010 agreed to have arrangements to attract increasing numbers of tourists by sea and later by air. We have not seen any increase in tourist numbers by cruise ships, the yachts continue to call. Reviving the Governor’s Cup Yacht Race in January next year, with the lead taken on by the St Helena Yacht Club shows how a civil society organisation can contribute to this aspect of tourism. The Financial Secretary predicts that there is likely to be £1.4m going into the economy each year from tourists coming by air, but is based, as our Financial Secretary says, on assumptions. Has the statistics about how many tourists who have visited the island since the airport opened published? Apart from tourism it shows that other income will focus on exporting goods and services. The Sustainable Economic Development Plan says that the island has significant natural resources, including premium grade Tuna and that improvements in St Helena’s export offerings will help to enhance St Helena’s budgeting capabilities. If we have this valuable resource why then are we not finding a way to help Fisheries and the local fishermen? The fishing industry has been established for years, it is another vital product of our economy of high value as well as providing an essential food source. This industry needs help now. Our precious natural resources would do little for us if we are not connected to a safe and welcoming tourist hub. We must continue to impress upon DfID the necessity to move our connecting hub for air travel to Cape Town, which is safer and has more visitors that may want to come to St Helena as an extension of the Cape Town holiday experience.

The Financial Secretary says about the challenges the island has to face with rising costs. It has led the financial crisis we are now experiencing as the income from tourism connected with

the airport has not materialized. These include high rates for utilities which will continue even though there's going to be an increase in renewable energy. The arrangement with St Helena Government working with an inward investor on this project will only benefit the future community with reduced costs. There is no timeline when this will happen. Is it this year or next year?

While I accept that funding is required on the shipping to transfer cargo from Ruperts to Jamestown is a necessity, it can be considered as pound foolish. It will be better spending scarce resources on permanent infrastructure to assist the Ruperts Jetty becoming fully operational.

Careful thought must be given to the broadening the higher tax rate band for as not to brand St Helena as the most expensive destination in the world. There is always the introduction of inheritance tax to ensure those who have broadest shoulders carry the heaviest loads, states the Financial Secretary.

Family and family support are what has allowed islanders to survive hard times. For many it has meant working offshore to send money home, much of the money going to build family homes. Today almost three quarters of people living in family homes have been provided by themselves being able to work overseas. These family homes are an inheritance for the children. Prices have shot through the roof since the building of the airport, any small house you see now advertised for sale these days is really less than £100k. The bulk of our inheritance is built on family homes where people are now not well off, especially when elderly nor are likely to be their children. This situation is not like that in developed countries for owning property. There is a danger that this will lead to more people on island seeking Government housing rather than providing their own. The Financial Secretary rightly says there is a need to have collaboration of all to get through this difficult period. The main focus of the budget is on St Helena Government and the private sector for development. There is no mention of the importance of civil society organisations in social and economic development. Their role is vital. There are forty-eight registered voluntary organisations that contribute to the economy. St Helena Government should continue to form partnerships with these organisations as they make a significant contribution to St Helena Government key policies for development. In fact, they are key players in development, socially, environmentally as well as in tourism development. Any ca... for civil society organisations are good value for money, especially with their voluntary human resource contribution.

Finally, there is people, the crucial aspect of development. It is noted that about £1.4m will put into the economy through tourists coming by air in the next few years. Islanders working offshore have been sending remittance of about £5m a year for decades. It has been the largest income to the island, apart from British aid. It is pleasing to hear the Financial Secretary praise our resilience, but I would hasten to add that we are often left to pick up the pieces of the things we didn't break. The issues with the airport and the lack of income from tourism contributes to people on our island who are struggling, they are vulnerable. The draft budget shows there is no certainty that there'll be an increased income from this source nor having affordable renewable energy. There is no time set for the current high rates to come down. High electricity charges along with our utility charges are crippling businesses, but especially for ordinary people because businesses pass on the high charges to the consumer. It is the ordinary people who have to pay.

St Helena is a UK Overseas Territory where the UK has overall responsibility. The UK Government, through DfID, has shown that all Territories are different. All have different needs, each will be treated differently according to local circumstances, it will be done in partnership. One of the latest partnership agreements between UK and St Helena Government is the 2010 MOU. It is between two parties. Circumstances have changed since 2010 because of the problems with the airport. It has not delivered its part of the agreement, yet many of the

reforms and taxations are still in place. People on St Helena should not pay high prices in an agreement where through unforeseen circumstances outcomes have not been met. In order to get through this financial crisis and lay social and economic foundations for people on St Helena now and for the future, a new agreement should be drawn up to meet the special circumstances for St Helena, a British island.

Mr Speaker, I support the budget in principle because we have to find a way to deliver and pay for services, however, I do have concerns that this budget will not deliver the economic and social development that is expected to benefit Saints. I also believe that successful, sustainable economic development will need the assistance of improved open and transparent communication. Mr Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Leo?

The Hon. Cyril Leo –

Mr Speaker, I thank the Financial Secretary for his all encompassing budget speech delivered on Friday. We must now accept that there is nothing more elected members can do or say that will convince the United Kingdom that the 2018/19 budget is inadequate for the essential reasonable needs of St Helena. As we prepare future budgets, St Helenians, in my opinion, have two options going forward. Number One, we can continue to live in the vain hope that the United Kingdom will provide St Helena with adequate financial assistance in the future, and, Number Two, St Helenians can resolve to be proactive and try and make up the financial shortfall through explored and also unexplored resources of potential income. We should not underestimate the medium to long-term detrimental economic and social consequences for the people of St Helena as a result of deficient financial aid from the United Kingdom. Mr Speaker, the level of financial assistance from the United Kingdom is inadequate for the critical reasonable needs of St Helena. However, I believe to refuse to accept the £27m budgetary aid settlement from DfID will be irresponsible as by doing so it will mean further detrimental consequences for the island. Therefore, with serious reservations, I reluctantly support acceptance of the 2018/19 budget and pledge to work to help address the budget shortfall. Mr Speaker, I support the Bill.

The Speaker –

Thank you, Honourable Member. The Honourable Russell Yon?

The Hon. Russell Yon –

Thank you, Mr Speaker. Honourable Members. The delay in receiving confirmation of the financial aid settlement from DfID has meant that a balanced budget could not be agreed in readiness for the start of this financial year. For me it has been a rather frustrating process, but nonetheless it has been a learning curve as this has been the first time to be involved. I have no doubt that some of the elected members who have had experience previously will understand this long, lengthy and drawn out method. The Financial Secretary and his team, together with other SHG officials, should be commended on the time and effort put in to prepare this budget. Moreover, elected members should be credited for their patience in having to make difficult decisions to support the proposed budget under very difficult circumstances. I will not go into detail as I've already demonstrated in previous meetings of how I felt by the responses we have received from DfID and the FAM team who, without a doubt, played a huge part in producing this budget to the DfID Minister even after visiting us and being made aware of our financial plight in such a crucial time for the island. It is fortunate that the latest

information received last Thursday from the DfID Minister, which Members have referred to here, will play a huge part in my decision today.

Mr Speaker, the Financial Secretary in his budget speech made reference to the significant achievements made over the past sixteen months. However, that still will not bear a true reflection on the arduous task ahead. No matter how we try to make adjustments to the budget it will always be the vulnerable in our society who will be thought of first. What is now becoming a reality is that cost of living on St Helena is becoming so high that even those who were once referred to as the well to be are now falling in the class of the vulnerable so I therefore ask how are our vulnerable are coping. The ever increasing freight charges has detrimental effects on the goods, the merchants import and thus that is tunneled down to the cost on the customer St Helena. Even local produce is so expensive, one wonders how much longer can one survive to live here. A kilo of local beef is averaging £10.00, Pork sells for £7.50 a kilo and most recently I learnt that Prime Tuna was being sold for £6.00 per kilo. We are surrounded by the sea and Saints have used the ocean as a means of supplying food for centuries. Try telling the little lady or the family of four depending on low salaries that they are to pay this kind of money for some local fish and it's little wonder their response is seldom favourable. We are pricing the very people who were are trying to support out of the market. Does an average of £2.80 increase in IRB or BIP or 10p on the Minimum Wage allow for these hikes in our everyday life? As long as we are trying to support this framework we are simply taking it back.

Mr Speaker, the Financial Secretary mentioned that austerity is something that many countries, including the UK, has experienced for some time and it has some benefits in terms of ensuring efficiencies are delivered within the Public Sector. True, that works for a country that can deal with austerity, but for an island like St Helena that depends on the outside world for almost everything besides the majority of our labour market that statement is difficult to comprehend. The lack of funds within the island and specifically within SHG because the capital funds have become exhausted and we need to negotiate another capital funded programme with DfID, is having huge impact on the public and private sector alike. Just recently another twenty-plus employees became unemployed, their employers can no longer keep them on the payroll. This will eventually have effects on the SHG budget as they too will be possibly coming to knock on the door for some financial assistance on what will possibly also become almost a depleted budget. I won't delve on the negatives for so long as there are positives along the way in the forthcoming Renewable Energy Project and the Submarine Cable which should inject some impetus to the island soon. The Renewable Project I doubt though will immediately give the customer the reward of cheaper electricity, but it will stabilize the cost per unit. That, my friends, should have a bearing on the amount Connect St Helena receives from SHG in yearly financial support as the cost for fuel will fall dramatically. Those funds will then remain in the SHG coffers to be used on other areas within the SHG budget. The Submarine Cable, in my view, should have come to the island before the airport, but it do arrive we on island will not just see the increase to the amount of positive uses it will bring, but along with it we will see the arrival of operators of down link stations who will in turn pay revenue into our budget with the hope of decreasing the amount of revenue we are currently asking the public to pay. Wishful thinking, some might say, but somewhere we all should have a wish list and on my wish list is some radical thinking also.

Our infrastructure wasn't mentioned in the Financial Secretary's speech, Mr Speaker, but hopefully somewhere we will eventually be able to address this topic with similar expectations we have come to see addressed in taking our Health, Education and Safeguarding to the upper levels. It is no doubt that our infrastructure is declining rapidly and in due time it will need to be addressed. However, with the savings in the future budgets that I spoke of that I'm sure we can turn to for support in our infrastructure works. Ageing roads, public buildings and our

historical structures will need millions to repair eventually and the longer we leave them the worse they will become. Let's hope the Financial Secretary will eventually have in his heart to divert some savings in the direction of elected members to support such a programme in the future.

Mr Speaker, before closing may I just add that it has been a tumultuous time in having to make real time decisions on this budget and I know that elected members have been very judgmental in finally coming to a conclusion. It has been strenuous on the mind, body and soul and although the future is not going to be the greatest in the forthcoming year we should have to look on it as not being so bleak either. There are those who will be worse off than others, but what we need to do is to give them the reassurance that although this budget is not what we asked for it could have been worst. There are challenging times ahead and we must come together to work as one. However, we cannot continue to say that St Helena and its people are resilient and highly adaptable. Those phrases are running thin and before long I believe Saints will rise to address matters themselves on this democratic island.

Mr Speaker, it leaves me to acknowledge to the public and those of you present here today that as an elected member, reluctant as I may be, I give my support to the Bill for an Ordinance to provide for the services of the financial year 01 April 2018 to 31 March 2019. I do so in the expectations that the Minister of DfID comes through with his recent communications to us and that hope for our forthcoming discussions with DfID will include a three or five-year budget and a continuous capital programme. Mr Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. The Honourable Clint Beard?

The Hon. Clint Beard –

Thank you, Mr Speaker, I also rise in acknowledgement of the Appropriation Bill 2018, that has been presented. I commend the Financial Secretary and all involved with delivering a rather comprehensive and detailed budget speech where he quite rightly captured the significant achievements over the past months and outlined the plans for the year ahead. It is important to note that this has been a long and tedious process, but at the end a balanced budget was reached. We need to plan and make sure we keep our eye on the ball at all times. We have lots of plans and strategies in place, but as we move along we should make sure we progress even slowly to implement those plans as they are important to the sustainability of this island. Economically we need progressive attitude to improve our situation; we cannot always be picking up the crumbs, so good, accountable governance should be top of our agenda so as we can make sure we can deliver services in the respective Directorates. The future seems to be going in the right direction, but we need to keep our hands firmly on the wheel. The cable will be here soon and we need to make sure we have adequate infrastructure in place. I share the Honourable Financial Secretary's optimism for a brighter future but it is clear that the coming year will be a challenging one. There are likely to be increase in demands on limited funding and we hope for capital programme funding soon. I think all in all we need to make sure we thank HMG for their continued support and DfID and all Members involved in their work on the budget, but I would like to see a closer and more appropriate working relationship with all stakeholders so as we make sure we get the best outcome for the people of St Helena and the island's prosperity. Thank you, Mr Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Kylie Hercules?

The Hon. Kylie Hercules –



Thank you, Mr Speaker. I would firstly like to express my gratitude to the Financial Secretary for the Budget Speech 2018/19. A balanced budget has been laid here today on the table and the work behind it should not go unrecognized. Directors faced....(*inaudible*).... reductions within their budgets and the associated risks such reductions will bring. I make special mention of the Financial Teams and fellow elected members. This would not have been possible without the dedicated tiresome hours of hard work. The Directorates within SHG carried out their assessments as to the amount of funding essential to the services required for the year 2018/19. A draft budget submission to DfID was that of £30.1m, the budget received before this Honourable House today is set at £27.1m, this includes a £1.5m allocation specifically for litigation and legal fees, ....?.....£5.6m to meet the reasonable needs of our community. Although the sum that was received was less in comparison to the submission made by SHG we must be thankful to the UK taxpayers for their significant contribution. Additional needs have been identified for the island and going forward need to be prioritised over a period of time as opposed to attempting to incorporate all in one financial year. We must also be mindful of the fact that commencement of regular air service will see international visitors to the island and also brings about higher expectations.

I would like to touch on some of the positives that was mentioned in the Financial Secretary's Budget Speech. The launch of the Sustainable Economic Development Plan is very much welcomed allowing an economy to develop and prosper in St Helena as opposed to our current setup whereby some £23m is needed on the island annually. The increase in the population is pleasing, even more so that a significant portion of the stats show that the majority of the increase in population is St Helenians. The reliance on fossil fuels is ever decreasing as more and more of the world is signing up to renewable energy, signing of any contract for renewable energy on island will be the start of a new era for St Helena. So what we achieved and mentioned by the Financial Secretary are directly related. These are the GCSE students achieving some of the highest attainment levels and improved results in Primary Education, exciting news indeed. However, with the current economic climate in St Helena we must ask the question of those achieving how many will remain on St Helena on completion of their schooling and enter into employment as it is becoming evident that more of our youth are playing a waiting game, to arrive at the appropriate age when they can depart the island and take up employment abroad, specifically Falkland Islands and Ascension Island. If these are our youths' aspirations then we must do more to encourage our youth to change their aspirations, we must ensure that we are doing all we can to build our future and include the youth as they are the generations which will take forward our island. There is no need to upskill labour if there is no labour on island to begin with.

Mr Speaker, it is with extreme pleasure that I stand here today and say that the needs of some of our elderly who have limited disposable income have been recognised. This will see those who cannot afford health service and deprive themselves be able to access the service whether or not they are in a financial position to do so. In addition, Mr Speaker, it is also pleasing that support is given to enable elderly to remain in their homes for as long as possible with the increase in the Safeguarding budget, specifically for home adaptations. This preserves individuals' dignity and more importantly assists with improving the quality of life.

I would like to conclude by saying that this settlement is far from ideal for the island and whilst I stand here today wanting not to accept the budget I feel I must or the people of St Helena will all face the consequences. I would strongly urge the UK to promptly consider a capital programme for St Helena, that they give us what is required for our island to move forward and eventually become self reliant. This is a common goal for both St Helena and the UK. Mr Speaker, I am reluctantly supporting the Appropriation Bill 2018/19 and I beg to move.

The Speaker –

Thank you, Honourable Member. The Honourable Gavin Ellick?

The Hon. Gavin Ellick –

Thank you, Sir. I am one of those who originally didn't want to support the budget in its current form as it does not take into care of the island's needs. I find it frustrating that after weeks and months no real compromise was reached with DfID only to find that the day before formal LegCo Lord Bates has sent us an e-mail encouraging Members to approve a balanced budget. Lord Bates agrees that we should establish a new capital programme in St Helena, however, I await to see this will actually happen because promises have been made before. We are blessed to have so much natural resources on St Helena, but it's a pity we don't have a significant budget to support it and I wonder if in the UK if DfID will take serious considerations of this situation. Lastly, I would like to thank the Financial Secretary and his team, the Chief Secretary and all elected members for their hard work in making this budget workable; therefore, with very, very much reluctance I do support the budget. Thank you.

The Speaker –

Thank you, Honourable Member. Honourable Mover, you may reply to the debate.

The Hon. Dax Richards –

Thank you, Mr Speaker and I thank you Honourable Members for your support for the budget. It was very good to hear all the comments that were made by elected members. I won't go through each individual Member's comments but I'll just pull out some key things that came out of discussion. Firstly, the recognition by quite a number of members that we were in a transitional period and we have quite a lot of work to do over this transitional period to allow St Helena to be ready to be able to take full advantage of all the opportunities that are on the horizon. The two key areas that we will have to work on as a Government over this next eight months and beyond, one is obviously we talked about quite a lot here today which is the absence of a capital programme, we'd have to work with our partners in DfID to get together and maybe help the programme to be able to deliver on the key priorities for St Helena and to ensure that we can actually take full advantage of what the airport and all of the other opportunities can bring for the people. The other is moving towards a multi-year budget and we are very keen to work with the UK Government again to address this issue where we no longer have a one-year settlement which creates very large difficulties for us in terms of planning and giving projectability as to what's gonna happen in the future.

I would like just to touch, to touch base, on an issue that was raised earlier on in the discussion around fares and the fares structure of the existing air service. We are in the process, as was mentioned by one of the Members, in the middle of air services review at this point in time, we hope as a result of the services review that there will be some positive changes to the Air Service Agreement and that hopefully will also have a positive impact on the wider economy. Mention was made of the civil society organisations and I fully support what Councillor Christine Scipio O'Dean has said, the civil society organisations of St Helena is a significant importance to activities in terms of delivering some of SHG's policy initiatives, but also support for the wider community itself, so we will continue to invest and support the civil society organisations during this year and beyond.

Finally, Mr Speaker, if I can just touch on one of the other areas that was mentioned and that was around the partnership values. I think we all agree we need a better working relationship with all parties, not only with the UK Government, but also better communications with our people out there in the community as well, so, again, I know there is a willingness and a want from all elected members and all officials across the public service to actually achieve a better working relationship for the better ...?.....for the future to the benefit of all people on

St Helena, so Mr Speaker, with that in mind I would just like to thank the Members again for their support to the budget speech.

The Speaker –

Thank you, Honourable Member

Question that the Appropriation Bill, 2018, be approved in principle and referred to a Committee of the whole Council, put and agreed to.

The Speaker –

Right, Honourable Members, we're down to.....

The Hon. Dax Richards –

Mr Speaker, I beg to move that the Council do resolve itself into a Committee to consider the detailed provisions of the Bill.

The Speaker –

Is there a seconder to the proposal?

The Hon. Susan O'Bey –

Mr Speaker, I beg to second.

The Speaker –

Thank you very much.

Question that Council do resolve into a Committee, put and agreed.

### **Council in Committee.**

The Chairman –

As we said earlier, looking at the Bill, at the same time you should be using your Estimates as well, Estimates of Revenue and we're in a more relaxed position now so feel free to speak around the table and ask questions. Is there a special place that you'd like to commence.that you prefer?

The Hon. Dax Richards –

We will go through each of the Directorates' Heads of Expenditure, Mr Speaker, as we go through so we would make reference to cost centres. Could I ask if the Deputy Financial Secretary can join us at the table and he will be able to provide some explanations to these

The Chairman

Yes, of course. Right, so we turn to the Schedules is the first thing to do, Honourable Members, and I put the question that Head 12 – Corporate Services, Support, Policy and Planning, standing in the sum of £1,360m do stand part of the Bill.

Mr Nicholas Yon (Deputy Financial Secretary) –

Mr Chair, I can give an overview of the Budget Level 12, so Head 12 is for Corporate Services – Support, Policy and Planning and it covers a wide range of areas, so, for example, the cost of running the Governor's Office, Financial and Administration services, public and national affairs, support to Executive Council and Legislative Council, Justice Administration, Public

Relations, Corporate Policy and Planning, the Attorney General's Administrative Support and also Internal Audit Office and that's for a total of £1.36m. There is also revenue allocated to be collected under this Head of £230k and in terms of the numbers there's additional allocation on Page 28 which.... explain more about the objectives of this particular service.

The Chairman –

Okay, so if you're looking at your Estimates, it's on Page 27 of your Pink Book. Any questions, please? Yes, Councillor?

The Hon. Derek Thomas –

Thank you, Mr Chairman. Can it be explained, the increase under Management and Admin from £223k to £272k?

Mr Nicholas Yon –

Thank you. The majority of these increases relate to salary changes from one year to the next year, so mostly....pay increases or change in salaries.

The Chairman –

Any other questions? Are you all satisfied under Head 12?

Head 12 – Corporate Services – Support, Policy and Planning (£1.360m).

Question put and agreed to.

The Chairman –

Head 13 – Corporate Services – Human Resources.

Mr Nicholas Yon –

Thank you, Mr Chair. It can be found on Page 28, 29 and Page 30 of the Estimates Book, so this particular Head 13 includes expenditure for Human Resources Services which is, sort of, general running of that particular section of Corporate Services, but also includes funding allocated for Technical Cooperation posts that supports across the Public Service. It also includes funding allocated for Technical Cooperation Training, is the general term, but basically it is funding allocated for training across the Public Service that includes distance learning, overseas courses, these are short courses, it leads to a wide range of different training provided under this particular Head as well.

The Chairman –

Any questions? Councillor Christine Scipio O'Dean?

The Hon. Christine Scipio O'Dean –

Thank you, Mr Speaker. Can the Assistant Financial Secretary elaborate on the training of £353k, you're talking about professional training, my understanding is that the purpose of the St Helena Community College was to provide professional training and accredited courses, so can you explain that a little further please and also if any funding out of the £353k has already been allocated or committed, I should say, and if the balance of any funding is already committed could be used for training other employees across the SHG Directorates?

Mr Nicholas Yon –

I can certainly answer the question. So in terms of that particular budget, you will notice that there is a decrease of around £100k in comparison to last year, that decrease has been worked on by SHG to come to this balanced budget. In terms of the £353k allocated, the training that's provided under this particular Head isn't the delivery of training, it's the allocation of funding to deliver training, so the Community College will provide the training and provide courses which will be funded under this particular Head, but in addition to those on-island distance learning courses there's also funding that's allocated for overseas placements as well, so this is where the funding is held centrally, but the delivery of the training will be done by other institutions. The £353k, what was done in terms of the exercise that was carried out to produce this budget was to look at what are those training needs that are essential needs that are required to be able to maintain certification, for example, or are needed urgently to deliver or maintain current Government services, so with that in mind, £250k of that fits that category that is even committed because people are already on courses from previous years or are essential and required immediately to maintain Public Services for certification. The remaining amount will be allocated as the process continues now once we get the Budget approved, we will go through a rigorous prioritisation process within SHG to allocate these funds to the needs as agreed.

Councillor Christine Scipio O'Dean –

Mr Speaker, I don't think, I do have a cold, so I don't recall hearing the Assistant Financial Secretary stating what is committed, amount committed?

Mr Nicholas Yon –

How much? £250k.

Councillor Christine Scipio O'Dean –

So what you said, the Community College will facilitate it, but it will be paid from the Training Budget?

Mr Nicholas Yon –

It depends, because some of it will be for courses that will be delivered by the Community College, but there's some courses or some training that is done, for example, overseas with overseas placements or experience, those kind of things will be done via a different service provider than the Community College.

Councillor Christine Scipio O'Dean –

Okay, thank you.

The Chairman –

Honourable Corinda Essex?

The Hon. Dr Corinda Essex –

Mr Chair, I haven't got a query, but I'd just like to flag that this is an example of what I mentioned earlier where we've managed to balance the budget by pushing activities back, but we're not going to be able to repeat that year on year without seriously negative consequences. Thank you.

The Chairman –

Thank you Any further comments on that Head?

Head 13 – Corporate Services – Human Resources (£8,862m)

Question put and agreed to.

The Chairman –  
Head 15 – Police - £1.590m.

Mr Nicholas Yon –  
This includes, across, oh, I can give you the page number, it's Page 31, Page 32 of the Estimates Book and this includes funding for Fire and Rescue Services, Police Operations, H M Prison, Police Investigations and Public Protection, Immigration and Licensing, Emergency Planning and Sea Rescue Services. It also includes allocated to this is revenues to be collected of £362k as well.

The Chairman –  
Any questions, please? Yes, Councillor?

The Hon. Kylie Hercules –  
Thank you, Mr Speaker. I just, in the pink book there is some funding allocated from the FCO for some .Immigration staff, that would not be in this, this is not in the figures that are here now?

Mr Nicholas Yon –  
Yes, I confirm that that is included within the Expenditure element and that the Revenue is covered under the Revenue side.

The Hon. Kylie Hercules –  
Okay, so it is included in here but that didn't make up, that was not in the overall budget itself because that was separate money that was received from the FCO?

Mr Nicholas Yon –  
Yes, that's correct.

The Hon. Kylie Hercules –  
Thank you.

The Chairman –  
Honourable Derek Thomas?

The Hon. Derek Thomas –  
Thank you, Mr Chairman. I see under the Revenue there's a Police Operations provision now, it hasn't been in the past it would appear, it is a provision for £4k and, again, under Police Investigations and Public Protection £4 hasn't been in the past, does this mean now that the Police will be charging for their services or how do you arrive at the £4k in relation to these two areas?

Mr Nicholas Yon –  
I don't have the details of that Revenue number to hand, so I don't have it here in terms of what those numbers actually make up for the £4k, but I can get that information and hand it on to you.

The Hon. Derek Thomas –

Just curious, Mr Chairman, as to how they arrived at £4k, because, like I say, it hasn't been in the past, so I'm just wondering whether now they're charging for those services, but if you can provide the information that is fine.

Mr Nicholas Yon –

Yes, I will do that.

The Chairman –

Honourable Christine Scipio O'Dean?

The Hon. Christine Scipio O'Dean –

Thank you, Mr Chairman. Can I ask why the Accounting Officer for the Police Directorate isn't present today, because my understanding is that they are invited to attend to provide this information, I looked around, I see other Directors present, but not the Chief of Police so maybe the Chief Secretary will be able to assist in this matter and answer my question why he's not present?

The Hon. Susan O'Bey –

I don't know why he's not present today, I haven't heard anything.

The Chairman –

Honourable Lawson Henry?

The Hon. Lawson Henry –

Mr Speaker, can I ask, as I raised in my response to the Speech, how we propose to fund the additional post in Immigration in future when the FCO funding falls away and where does that money come from?

The Chairman –

Yes, Financial Secretary?

The Hon. Dax Richards –

Thank you, Mr Speaker. So at the moment, because it's a one-year settlement, we won't have any figures in here for the other years, but as part of the budget process for future years we will have to take that into consideration as to whether or not the services provided through the ..ongoing funding from FCO and if that isn't the case then we either need to look at reducing the expenditure or financing it in some other way.

The Chairman –

Thank you.

The Hon. Lawson Henry –

Thank you, Mr Chairman.

The Chairman –

Thank you. Honourable Gavin Ellick?

The Hon. Gavin Ellick –

Yes, Sir. I see in there for Police Operations we have a significant rise from 431 to £446 and in Police Investigations also from 71 to 86, can you elaborate on that please?

Mr Nicholas Yon –

Thank you. As far as I understand, these increases relate to additional posts for both those particular areas so they include the cost of the salary and being able to have the additional posts.

The Hon. Gavin Ellick –

I thought that when the Police brought their budget to us to approve we were saying that we weren't going to entertain this because we had enough resources on island?

Mr Nicholas Yon –

That is the budget that is being presented.

The Chairman –

Councillor Christine Scipio O'Dean?

The Hon. Christine Scipio O'Dean –

Thank you, Mr Chairman. Can I ask something just for clarification? In the absence of any information given for this £8k that the Police Directorate is hoping to generate in this financial year, because we as elected members have asked the question what contributes to that revenue stream and we are unable to be provided with information, if we approve this Police budget here now does that mean that we will be agreeing to if the Police Directorate is proposing some increases in fees and charges that we as elected members are not aware of, if we agree this does that mean that we are agreeing to the increase in any potential fees and charges that may be in the pipeline that we don't know anything about? So could you probably, can you clarify that before I make a decision, Mr Chairman or Financial Secretary or AG or, can some assistance be given, please?

The Hon. Dax Richards –

Mr Speaker, first of all you'll be aware that in terms of what's being approved today you're approving expenditure, you're not approving revenue as elected members, so what you're being asked to approve is the Head of Expenditure with £1.59m of expenditure, not to approve any new increases in revenues that need to go through the normal processes which, in the case of the Police, would come either to the Environment and Natural Resources Committee or also to the Social and Community Development Committee for approval and then on to ExCo where it will be endorsed.

The Hon. Christine Scipio O'Dean –

Thank you for that explanation. Mr Chairman, do excuse my ignorance, but to be able to get a balanced budget one would assume that the proposed revenue generated will get us the balanced budget which includes revenue streams, so, like I said, excuse my ignorance.

The Chairman –

Yes, I think one would assume then that it's gone by Executive Council before it comes to this House so today's exercise is expenditure only..?...

The Hon. Christine Scipio O'Dean –

I would just like to, for information, Mr Chairman, that no proposed revenue generated for the Police Department has come to ExCo amounting to £8k.



The Chairman –

Right, so this is Expenditure, okay, that's what you're approving today, but you are shown the Revenues as to how this might occur, that you can raise the revenue at the same time. Any further questions, please? Councillor Corinda Essex?

The Hon. Dr Corinda Essex –

Can the Deputy Financial Secretary tell us how many additional posts Police is actually anticipating having, because it looks as though there are some within the Recurrent budget and those that are being funded by FCO?

The Hon. Dax Richards –

Mr Speaker, I'd like to clarify for Honourable Members the terms of the Recurrent Budget there is no differential between the Recurrent Budget, I understand what Councillor Essex has asked in terms of where the money source would be coming from, but basically all expenditure is included as part of the Recurrent Budget so I just want to make that point quite clear.

The Hon. Dr Corinda Essex –

So the figures that we have before us today include the posts that FCO are hopefully going to pay for?

The Hon. Dax Richards –

Yes, it does.

The Hon. Dr Corinda Essex –

Okay, thank you.

The Chairman –

Councillor Green?

The Hon. Anthony Green –

Mr Speaker, I'd just like to have some clarification about the Emergency Planning and Resilience. It shows an increase of £5k and I'm wondering whether that's for additional resources or is it additional payments to those involved?

Mr Nicholas Yon –

If I can clarify to say it is, part of the cost is a cost to localize a post that is planned so the cost of being able to do that throughout the year and also some other costs for vehicle hire charges, for example, also included in that amount.

The Chairman –

Councillor Kylie Hercules?

The Hon. Kylie Hercules –

Thank you, Mr Chair. Just in, I do see under Sea Rescue Service there's significant increase in their budget line as well from 135 last year to 163 this year, can you explain that increase, please?

Mr Nicholas Yon –

I'll do my best. Part of it is to do with the additional post of a Deputy for the Sea Rescue Service, there's also costs for the Sea Rescue in terms of fuel etc, the running costs for the boats when they attend flight responses as well, so all of those costs are included in that particular area.

The Hon. Kylie Hercules –

Thank you.

The Chairman –

Any further questions, please?

Head 15 – Police - £1.590m –

Question put and agreed to.

The Chairman –

Head 17 – Corporate Finance, in the sum of £8.180m.

Mr Nicholas Yon –

Thank you. The details can be found on pages 33 and 34 of your Estimates, so this particular Head, Corporate Finance services. different areas include the cost of management of the Port, Customs and Excise, Income Tax, Accounting Services and Central Finance, Post and Customer Services Centre, Port Management and Corporate Procurement Services, the Programme Management Unit and Airport Contracts Management Unit, which is a new line and also a budget for .....?..... Overall you will note an increase of £2.5m and that increase I can say relates to the number of areas, particularly under the payments on behalf of the Crown budget. There is an amount under that budget, £250k, allocated for the cost of maintaining certification for St Helena Airport with ASSI, it includes additional funding needed for pension contributions for employees that recruited. are under to fund contribution pension scheme, there's additional funding allocated for the St Helena Fisheries Corporation of £82k, there's additional subsidy allocated in Connect St Helena that is used to limit the tariff increases that are proposed, that are introduced, sorry, of £108k, there's also, like I said, airport Contract Management Unit budget of £200k where this has previously been funded as a separate budget from DfID under the Project, but now has been incorporated into SHG's Recurrent Budget and then lastly there's an amount, it's an allocation of contingency funding from DfID, as mentioned earlier, for litigation and associated legal costs, but this is on a contingency basis, so if it is required by SHG then we are able to utilise it, if not then we will not withdraw from the Consolidated Fund.....?.....

The Chairman –

Sorry, Councillor Christine Scipio O'Dean?

The Hon. Christine Scipio O'Dean –

Thank you, Mr Speaker. The Acting Financial Secretary mentioned about certification of the airport - £250k, what is the actual figure for re-certification, because I believe there's a reduction, is that correct?

Mr Nicholas Yon –

There is a proposed reduction but it's still to be finalised the exact number that is required, so that will happen over the next couple of weeks and any unspent funds will go back into the Consolidated Fund.

The Hon. Christine Scipio O'Dean –

Okay. Also mentioned that in the payments on behalf of the Crown there's additional funding of £82k for Fisheries Corporation, can you explain how did this sum come about?

Mr Nicholas Yon –

Yes, so that £82k is made up of two elements, so in the last financial year Executive Council approved the Special Warrant for emergency funding for Fisheries of £173k, £73k of that amount of money was for capital purchases. Unfortunately, due to the delays with procurement that money was unspent by £13k, we have now included £13k in this year's allocation. The remaining £69k is for, it's a provision that is made for the Government Guarantee that is issued to St Helena Fisheries Corporation of £100k last financial year, but we're making a provision this year for the remaining £69k of that Guarantee in the event that it is required.

The Hon. Christine Scipio O'Dean –

So what you're saying is that up to 31<sup>st</sup> March 2018 only £31k of the Government Guarantee was used hence there is a balance, well, I say balance because you put a provision in for this financial year of £69k?

Mr Nicholas Yon –

Yes.

The Hon. Christine Scipio O'Dean –

So we all know that the industry is struggling and we also know that there is a huge debt with Connect St Helena, but it appears that for this financial year no new money, I say no new money, because this money was committed for last year but was unable to be spent, no new money has been put into the industry for this financial year knowing that it needed?

The Chairman –

Financial Secretary?

The Hon. Dax Richards –

Mr Speaker, the short answer is, yes, however, there obviously needs to be ongoing discussions about the future of Fisheries Corporation and how much more additional resources St Helena Government wants to put into Fisheries Corporation activities, so the Councillor is correct, there is no budget provision for new money at this point in time, however, it will have to go through the process if elected members feel it is requiring additional resources in this financial year to be allocated to the Fisheries Corporation.

The Chairman –

Thank you, Financial Secretary.

The Hon. Christine Scipio O'Dean –

But my understanding, Mr Chairman, that there may be surplus money in the payments on behalf of the Crown depending on the discussions in relation to the certification of the airport, so is there a possibility to remain it in the budget line payments on behalf of the Crown until we have a discussion about it instead of transferring back to the Consolidated Fund and then

Fisheries Corporation has to make a case, although they probably will still need to make a case for additional funding?

The Hon. Dax Richards –

The short answer is, yes. Again, Mr Speaker, that will be all part of the process that needs to be agreed to be able to get access to additional funding, so if there's an underspend in other areas, not necessarily shown in that line, that would be reallocated to other priority areas that elected members show as priorities for SHG then, yes, money can be made available.

The Hon. Christine Scipio O'Dean –

Thank you for the clarification, I look forward to discussion.

The Chairman –

Any further questions? Councillor?

The Hon. Kylie Hercules –

Thank you, Mr Chair. Just looking at the correction on page 20 and 21 now, just want a breakdown of the payments to other agencies twice, is that under payments on behalf of the Crown?

Mr Nicholas Yon –

Sorry, the question is?

The Hon. Kylie Hercules –

So payments to bodies or persons, is that payments on behalf of the Crown?

Mr Nicholas Yon –

It's made up of NGOs shown on these pages are summary of all of those detailed lines plus the whole of all the Directorates so what you will see is for a particular line it might be some from payments on behalf of the Crown, some from a different Directorate, all summarised together  
.....

The Hon. Kylie Hercules –

Okay, thank you for that. So I gonna ask a question, most probably it's not under this section, but do tell me if it's not.

The Chairman –

We're dealing with Head 17.

The Hon. Kylie Hercules –

Yes.

The Chairman –

Does it come under that?

The Hon. Kylie Hercules –

New Horizons comes under Payments on behalf of the Crown?

Mr Nicholas Yon –

A proportion of the funding allocated is from Payments on behalf of the Crown, yes.

The Hon. Kylie Hercules –

So it could be that this amount that I'm looking at is not all under Payments on behalf of the Crown, it could be spread somewhere else?

Mr Nicholas Yon –

That's right.

The Hon. Kylie Hercules –

Okay and therefore I cannot ask the question.....

The Chairman –

Head 17. Councillor Green?

The Hon. Anthony Green –

Thank you, Mr Chairman. I just wanted to enquire about Payments on behalf of the Crown and whether or not the proposed policy for grants and subsidies would be catered for if this were to pass Council. I know that the policy has been to EDC and SCDC, but is there a financial provision within that amount to cater for that should it be passed?

Mr Nicholas Yon –

Yes, I think that the purpose of that policy that's been to those Committees was to formalize the process which already exists, so not on informal basis, so we don't anticipate that there will be any additional funding required to implement that policy, but the policy is more to formalize that process that now exists informally.

The Hon. Anthony Green –

Thank you.

The Chairman –

Any further questions?

Head 17 – Corporate Services – Corporate Finance - £8.180m.

Question put and agreed to.

The Chairman –

Head 19 – Economic Development - £900k.

Mr Nicholas Yon –

This can be found on page 35 of the Estimates Book. This particular Head covers expenditure, sorry, subsidy payments to Enterprise St Helena.

The Chairman –

Any questions?

Head 19 – Economic Development - £900k.

Question put and agreed to.

The Chairman –

Head 21 – Shipping, in the sum of £500k.

Mr Nicholas Yon –

Thank you. This can be found on page 38 of the Estimates Book. Previously this particular Head covered the subsidy payments to St Helena Line for running the passenger/freight service of the RMS St Helena. Since then this particular Head has changed, the purpose is now funding allocated to cover the costs of transporting cargo from Ruperts Wharf to Jamestown Wharf to cover the discharge of cargo by the MV Helena .....?.....

The Chairman –

Any questions?

Head 21 – Shipping - £500k.

Question put and agreed to.

The Chairman –

Head 22 – Education, in the sum of £3.343m.

Mr Nicholas Yon –

Thank you. This particular Head is found on page 40 of the Estimates Book and includes all of the Primary Schools, Secondary School, Teacher Training, Tertiary Education, Public Library. There's also allocated and connected under this Head £227k.

The Chairman –

Councillor Thomas?

The Hon. Derek Thomas –

Thank you, Mr Chairman. Can I ask why is there a decrease in expenditure on Management/Admin from £3,09 to £190k?

The Hon. Christine Scipio O'Dean –

Mr Chairman, I can answer that. We did some restructuring within the Management and Admin. In previous years we find that, for instance cost of staff wasn't allocated in the right areas so we did a restructuring of the budget for that, so it's not a reduction in staff, so I'd like to reassure my Friend here that there is no reduction in staff, it's just a re-twigging of figures ensuring that they sit in the right budget line.

The Hon. Derek Thomas –

Thank you, Mr Chairman. Can I also ask, Mr Chairman, under the Revenue, Management/Admin, it's £248k for the previous year and now there's been a reduction to £195k, why is that?

The Chairman –

Sure.

The Hon. Christine Scipio O'Dean –

To answer that, Mr Speaker, because I thought we were only looking, as explained earlier, we were only looking at expenditure.

The Chairman –

No, he's asking the question, you've got to look at the both.....

The Hon. Dax Richards –

Perhaps I can help, Mr Speaker, if that's okay. So effectively the revenue that you see for Management and Administration it's a cost that basically recharge to the rest of the Directorate so as a result of the Management and Administration expenditure going down to £190k also the corresponding revenue that you would get by recharging it under the different sections has also been reduced to £190k.

The Chairman –

Yes. And any further questions?

Head 22 – Education - £3.343m.

Question put and agreed to.

The Chairman –

Head 23 – Health, in the sum of £5.714k.

Mr Nicholas Yon -

Thank you. The details can be found on pages 42, 43 and 44 of the Estimates Book. Included in this particular Head is the Management and Administration budget, the Medical Services budget, Hospital Acute Care budget, the Community or Primary Care budget, the Dental, Environmental, Laboratory, Dental Health Services are all included in this budget as well. There's also an allocation of requirement to collect revenues, that is £750k also allocated to ....?.... under this particular Head. You will notice that the comparison year on year for this particular budget has gone down by £400k. That is based on a re-look, done by the Health Directorate at the overseas medical treatment and aero medical evacuation budgets where they have reduced the aero medical evacuation budget by £900k and increased the overseas medical treatment budget by £500k giving you an overall £400k increase in overall budget. This has been done in conjunction with looking at the actual spend 17/18 financial year where these new budgets have been updated. in line with the outturn for the last financial year.

The Chairman –

Any further questions then?

Head 23 – Health - £5,714mm

Question put and agreed to.

The Chairman –

Head 26 – Environment and Natural Resources, in the sum of £3, 392m.

Mr Nicholas Yon –

Thank you. The relevant pages in the Estimates Book is page 45, 46 and 47. This particular Head, Head 26 covers again a wide range of different areas and services. It includes all of the Agricultural, Fisheries services, it covers Environmental services, Nature conservation.....?.....and Met forecasting. There's also included a provision for maintenance of roads, there's Technical Services, Rockfall Protection, Street Lighting and Technical

Services Land Registration, Planning and Development, so a wide range of different services covered under this particular area. You will also note that there is to be collected revenue of £534k also allocated.....

The Chairman –  
Councillor Ellick?

The Hon. Gavin Ellick –  
Thank you, Sir. I see here on the Maintenance of Roads went from 505 to 408, but if we are expecting to take on 15 additional kilometres of road, the Haul Road, how is that happening?

The Chairman –  
Honourable Chairman?

The Hon. Russell Yon –  
Er I think, yes, Mr Speaker, that was to do with the reduction in our community and district roads project.

The Hon. Dax Richards –  
Mr Chairman, maybe I can perhaps help as well. The figure that the Honourable Member is referring to is the revised budget for the 17/18 financial year where it took into consideration the additional expenditure on the R1 Project which could not be charged against the R1 Project in the 17/18 budgetary year, it appear in the revised budget that you see here had to be increased to be able to cover that additional expenditure it had been comparing the last year's original estimates which was £420k, a reduction of £16k and as the Honourable Chair has just said it is in relation to the community roads allocation.

The Chairman –  
Thank you, Financial Secretary. Any further questions?

Head 26 – Environment and Natural Resources - £3.392m.

Question put and agreed to.

The Chairman –  
Head 29 – Safeguarding, in the sum of £2,850k.

Mr Nicholas Yon –  
Thank you. The details can be found on pages 48, 49 and 50 of the Estimates Book. This particular Head, Safeguarding, includes Support Services, Learning Disability, Family Centre, Sheltered Accommodation, Older Persons Services, Community Care Complex, Occupational Therapy, Better Life Allowance. The Safeguarding Project is no longer under this particular Head because it's been allocated to a different service area. There's also Safe Haven, there's Children's Services and Adult Safeguarding. There has been an increase in the budget year on year, it's about £392k and this includes an allocation of £75k to support the Homecare Policy, there's been £180k allocated for developing a specialist service provision for children and young people with complex needs, there's an allocation of £90k to develop staffing capacity in the Community Care Complex, also £10k when the child abuse policy throughout the year. There is also, I apologise, that was all I was going to say.



The Chairman –

Any questions, please? Councillor Essex?

The Hon. Dr Corinda Essex –

Can the Deputy Financial Secretary or the Financial Secretary confirm what proportion of this budget is ringfenced?

The Chairman –

Financial Secretary?

The Hon. Dax Richards –

In terms of the settlement with DfID the whole of the Safeguarding budget is ringfenced.

The Hon. Dr Corinda Essex –

Can the Honourable Financial Secretary explain the rationale for why the Safeguarding budget should be ringfenced and not that of other mainstream Directorates?

The Hon. Dax Richards –

I can't really answer that for, in terms of for DfID, however, this would be consistent with previous years, the application of ringfenced budgets where, as the Deputy Financial Secretary has mentioned before, in the past, for example, the Safeguarding Project was one of those that was definitely ringfenced, but in 2017/18 it was extended to the whole of the Safeguarding budget.

The Hon. Dr Corinda Essex –

Can the Honourable Financial Secretary undertake to ask DfID for an explanation, please?

The Hon. Dax Richards –

Yes.

The Hon. Dr Corinda Essex –

Thank you very much.

The Chairman –

Any further questions?

Head 29 – Safeguarding - £2, 850m.

Question put and agreed to.

The Chairman –

I understand that Head 20 is provided for under the Pensions Ordinance and that's not appropriated here, it's just put in the Schedule.....?.....but Head 23 is appropriated.....

The Hon. Dax Richards –

Sorry, Mr Speaker, we have .....

The Chairman –

Oh, yes, put the total first. Yes, I put the total first. The total to the Head of Expenditure, Schedule I, standing in the sum of £36,691m.

Schedule I - £36,691m.

Question put and agreed to.

The Chairman –

Head 23 – Capital Expenditure in the sum of £80k.

Mr Nicholas Yon –

Thank you. The relevant page is page 42, back to page 42 in the Estimate Book. There is an allocation under the Medical Costs or Output of £80k. Members will remember earlier this year or late last financial year a Supplementary Appropriation was granted to allocate some of the current funding to the Health Budget to the Capital budget to allow the purchase and procurement of some essential medical equipment. Unfortunately, due to the accounting and budgeting rules some of that equipment that is committed to last financial year and ordered could not be recognised against last financial year's budget, so it's an underspend that's gone back into the Consolidated Fund. What is requested here is that that amount of money for that equipment that was committed but not accounted for last year be included in this budget to allow them to be able to charge that in this financial year.

The Chairman –

Any questions, any further questions? No?

Head 23 – Health - £80k.

Question put and agreed to.

Schedule II – Total - £80k.

Question put and agreed to.

The Chairman –

Then we then turn to the main part of the Bill. I put the question that the Title, Enactment Clause and Clause 1. Any questions?

Title, Enactment Clause and Clause 1.

Question put and agreed to.

The Chairman –

Clause 2. You want to explain that Clause?

The Hon. Dax Richards –

Yes, Mr Chair, I just wanted to say that the total of the Schedules I and II as has been outlined before and also to reconfirm that it doesn't include the Pensions and Benefits element of it because this is covered under the appropriate Ordinance.

The Chairman –

Any questions, please?

Clause 2.

Question put and agreed to.

The Chairman –

Thank you. The Bill is now to be reported.

**Council Resumed.**

The Speaker –

Honourable Financial Secretary to report the Bill.

The Hon. Dax Richards –

Mr Speaker, I beg to report that the Appropriation Bill 2018 passed the Committee with no amendments and to move that this Council approves the said Bill and recommends to the Governor that it should be enacted.

The Speaker –

At this stage a seconder is not necessary and the Motion is put without any amendments. So I put the question, Honourable Members, that this Council approves the Appropriation Bill 2018 and recommends to the Governor that it should be enacted.

Question on Motion, put and agreed to.

The Motion is carried.

The Speaker –

Thank you very much. This is a convenient time I think to have an adjournment and then we can come back after lunch, so we come back here I think half past one.

**Council Adjourned.****Council Resumed.**

The Speaker –

Alright, Honourable Members, we're all looking refreshed back from lunch, let's have the rest of the programme. Clerk?

**5.****THE ADJOURNMENT DEBATE**

The Speaker –

The Honourable Chief Secretary?

The Hon. Susan O'Bey –

Mr Speaker, I beg to move that this House do now adjourn sine die.

The Speaker –

Thank you. Is there a seconder to the Motion?

The Hon. Dax Richards –  
Mr Speaker, I beg to second.

The Speaker –  
Thank you. The Motion is that the Appropriation Bill, 2018 be approved in principle and referred to a Committee of the Whole Council. The Motion is now open to debate. Any Honourable Member wishes to speak? Councillor Derek Thomas? Just to remind Members, they only have ten minutes to speak this time, short debate.

The Hon. Derek Thomas –  
Mr Speaker, I rise in support of the Adjournment Debate. We have just given support to the Appropriation Bill 2018/19. We need to start our planning now for next year's budget which will present greater challenges than this year. I will use the Health Directorate as an example. If we are to retain the current level of services and allow for development we will need an uplift in the Health budget in the region of 25%. Other Directorates will be expecting some form of increases as well in order to maintain current levels and develop, which we all know is not going to be easy to achieve. We must look at all we can do in order to raise revenue, but that will present its challenges as well. As yet we haven't seen any form of real economic growth so there is a fine balancing line to be made in ensuring we protect our lowest paid and most vulnerable members in society. We must be able to demonstrate to Her Majesty's Government that we are doing all we can. We need to be striving for a three-year budget aid settlement.  
Mr Speaker, I know I have raised this issue before about the lack of fresh eggs on the island, I'll bring it up again and people are not able to purchase newborn chicks. I know some work has been done by the Economic Development Committee and the Environmental and Natural Resources Committee in addressing this issue and we hope to see newborn chicks being imported to the island shortly, we need to continue applying pressure on this issue since we all know there is great difficulty in purchasing local chicks on island and fresh eggs, we are having to rely on imports where importers are plugging the gap. These eggs are expensive at 36p each. I'm not blaming the importers since they have to cover their costs, they are doing a good job otherwise there would be very few eggs on island. We should not be in this situation. Our low income households and vulnerable members of society cannot afford to be paying 36p for an egg, we need to sort this issue out even if it means providing some level of subsidy at the end of the day it will be money well spent to the benefit of all.  
I will now turn, Mr Speaker, I will now turn to parking, I'll declare my interest since my son is a Police Officer, but since the Police has moved to AVEC building near Seales Corner the parking of vehicles on Lower Jamestown has become worse with vehicles parked on both sides of the streets at Market Street making it difficult for vehicles to pass through. Vehicles parking on double yellow lines, parking on the roundabout. I know the Police are short of staff and as a Government we need to come up with a plan in addressing this issue before we have a serious accident on our hands. Mr Speaker, I beg to move.

The Speaker –  
Thank you, Honourable Member. Honourable Lawson Henry?

The Hon. Lawson Henry –  
Thank you, Mr Speaker, I rise in support of this Adjournment Debate and would first like to draw the House attention to the recent announcement by the Foreign Affairs Select Committee on its inquiry on the future of the Overseas Territories. This is very much welcome and I hope

that this House and as many organisations on the island will take the opportunity to provide evidence to the FAC. I am, however, disappointed that no official announcement was made by the Administration here about this inquiry given the value of this for St Helena in going forward. I would just like to refer to the FAC Chair's comments in announcing the inquiry where he stated, and I quote, "The Overseas Territories have a special place in our Constitution. They are self governing but part of the United Kingdom. As our place in the world changes we need to think about the effect on them and whether the structure of our relationship still work. The Committee would look at these parts of our community and look at how we work to support all our communities". I just hope, therefore, that by this House providing evidence this will be the catalyst for change in our relationship with HMG and that once again they honour the partnership values as set out in our Constitution. I therefore urge Honourable Members to contribute to a submission to this Committee.

Mr Speaker, Honourable Members, I would like to raise the issue about our labour market, particularly the hospitality sector. I recognise that a Labour Survey is to be undertaken soon, if not already underway. There is, however, an urgent need to look now at the acute shortage of workers in this sector. I say shortage because I believe it is more fundamental with people not wanting to work in this sector, in particular, at weekends and after hours. This is putting all our eateries at further risk and I urge that we move to address the issue with some urgency sooner rather than await the outcome of the Labour Survey before further damage is caused to the sector. If islanders do not wish to work in this sector then they need to consider alternatives, but this needs to happen soon.

Mr Speaker, I would also like to say how very much we welcome the Companion Fare that has just recently been announced by SHG and wish to thank the Minister at DfID for approving this. I hope that in going forward that the Minister will also address the other two fundamental issues relating to air access. These I have mentioned in my response to the Budget Speech. That is the cost of the fares and the reinstatement of the Cape Town leg of the journey. The evidence in relation to low visitor numbers is directly linked to these two components and it is fundamental to the success of St Helena getting the best value of the huge investment in the airport and increase in visitor numbers.

Finally, Mr Speaker, please may I ask the Honourable Mover of this Motion if she would work with South Atlantic Media Services (SAMS) to improve the transmission of these proceedings. The House appreciates the work of SAMS in broadcasting these proceedings but the quality is so very poor that many of our listeners have become very frustrated and does not bother to tune in anymore. For some, this is their only means of having access to their Government and the value of broadcasting these proceedings should not be undervalued. I have raised this very issue in the House before. There is also a frequent hiss on the reception.

Mr Speaker, Honourable Members, I beg to move and support this Adjournment Debate. Thank you.

The Speaker –

Thank you, Honourable Member. Is there any other Honourable Member? The Honourable Dr Corinda Essex?

The Hon. Dr Corinda Essex –

Thank you, Mr Speaker. Mr Speaker, lately there have been a growing number of issues that are of major public concern, over which elected members have little or no control. I fully understand the frustration and anger that constituents feel when they bring us our concerns and we have to say that there is little or nothing that we can do to assist them. This situation makes me feel frustrated and angry also because as the elected representative of the people we should have greater power and ability to address their wishes. In some instances, such as in the case

of utilities, a change in the institutional model and probably associated legislation should be able to ensure adequate political oversight going forward and the upcoming review should be able to address this need, but I believe that more radical measures are needed in order to address the pitfalls in the current political model. I have moved two Motions in this Honourable House relating to the need for Constitutional review and revision. Both were passed unanimously. We're still awaiting feedback regarding the proposed amendment relating to enabling more specifically the prioritization of Saints, although this was supported by over one thousand signatures and we are now being advised that some of the desired outcomes should be achievable by other means and do not necessarily require a change in the Constitution. Those on the relevant Working Groups are watching this closely and hope to see that this proves to be true. However, our Constitution Order is now nearly ten years old. When its predecessor reached this point the then Governor appointed a Constitutional Commission that I had the honour of chairing in order to carry out widespread consultation to ascertain the views of the public regarding what changes they would like to see in the Constitution going forward. We submitted our recommendations, they were then considered by both officials and the then members of Legislative Council and it was decided that an even more far reaching exercise should be conducted to look at alternative models for Constitutional reform and as a result of that a very experienced Constitutional Lawyer, Mrs Quentin Baxter, was recruited and further proposals were developed for constitutional change of a major order, which at that point in time did not win public support, primarily because of the financial implications. I would suggest that a similar initiative would be timely at this point. It is clear that any suggestion of constitutional change rings alarm bells in certain high places, both here and within the British Government, as it seems to be perceived as a potentially detrimental step that could threaten St Helena's future. I most certainly agree that constitutional change is not something that can be rushed into and is something that requires considerable care, but I believe strongly that appropriate change is in the best interests of St Helena and its people. It would be timely to revisit the issue of whether the current Committee structure is still the most suitable and whether it has the capacity to empower elected representatives of the people to make the type of high level decisions that are likely to be increasingly necessary in the not too far distant future. Other urgent pressures, such as those associated with the budget, take up an enormous amount of elected members' time and deflect us from discussing and reflecting on other key matters that are of great importance. I believe that it would be in the best interests of St Helena for elected members to analyse all the barriers that prevent us working more efficiently and effectively and try to determine what action is needed to address these so that we can make a united approach to tackling them. Not all these actions would be as potentially far reaching as constitutional reform and a new model of government. Some, what should be fair and straightforward improvements in processes and procedures, such as an agreed and workable protocol to ensure that Motions passed in this Honourable House are followed through in a timely manner and explored by the relevant Committee, Directorate or entity, would help. Again, this is not the first time that I have raised my concerns about the way in which Motions seem to get put on the back burner and actions which are of importance to the future of the island do not in fact get put in place. I believe that a new post is being established within Corporate Services specifically to provide support to elected members and would be interested to know what the associated role would encompass as I am not aware that this has been discussed with any of us and I do not even recall being informed that it was hoped to create such a post.

Mr Speaker, the matters that I have raised here must be addressed sooner rather than later if St Helena is to progress and elected members are to be empowered to take on a more responsible role befitting to politicians in a territory moving towards greater self determination and self sufficiency. The necessary operational and internal changes should be largely cost neutral, the

Constitutional Reform will inevitably have resource implications and therefore should be included for prioritization within St Helena's medium term expenditure framework.

Turning to another key issue, there is public concern that St Helena Government is wasting money on activities that are non essential. This is particularly coming to the fore in response to the known acute budget pressures that we are all facing. When constituents approach me and say why can't we do this or that and I respond by saying "because we don't have the finances to enable that to take place", I am then given the answer, "Oh yes, but Government wasted money on x or y or z and the expenditure in those areas was higher than what I'm asking for you to take forward for me." and in some instances they've got their sums correct, in fact, in most instances they've got their sums correct. As an example, one of the key bones of contention is the relocation of the Police as the contracts register and so on indicate the cost that's been involved on that project. To the majority of individuals on the street that move was not required and has, in fact, had serious consequences, as my Honourable Friend was alluding to earlier about traffic control, the presence of Immigration staff in close proximity to the wharf area for access by yachtsmen and so on, so I think although we have been assured that the move was very necessary in order for the Judicial Services to have a fit for purpose location and to facilitate the necessary layout for modern court procedures to prevent witnesses and other court personnel, for example, being in the same area when in fact they should be kept separate and that kind of thing, those sort of messages need to be conveyed to the public and going back to what I said this morning, there is a need for much better communication, not just sanitized Press Releases, but detailed communication, meaningful communication that the public can actually get to grips with and start to understand the rationale behind some of what appears to them to be crazy decisions that they see St Helena Government taking. St Helena Government definitely needs to improve its communications with the public and I think in recent months there's a pleasing improvement in the way in which elected members have been endeavouring to communicate with the public. Until fairly recently the only direct regular communication was the programme that Derek and I host on a monthly basis, but nowadays there are summaries from Committee meetings going out into the public domain on a regular basis and updates on other key activities and those are welcomed and are a step in the right direction, but I would suggest, Mr Speaker, there's still quite a long way to go.

So my message that I would like to leave within this Honourable House this afternoon and also for the listening public is that there should be a concerted effort to try and improve communications, review what is in place now, including our Constitution, seek public input as to what improvements they would like to see without actually raising expectations- the public are quite sensible enough to understand that not everything that they ask is necessarily going to be delivered - and generally try to get more positive involvement and create a position in which elected members have greater power to actually make a meaningful input into the future of St Helena. Thank you, Mr Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Cyril Leo?

The Hon. Cyril Leo –

Mr Speaker, I have been involved with trying to obtain adequate funding for the 2018/19 budget, in trying to secure a capital programme for St Helena. Working with DfID during the process has been very difficult and at times it has been somewhat frustrating. However, regardless of the outcome, overall a great deal of quality work went into the process on behalf of the people of St Helena and for that I would like to openly ....?.....?.....from all the St Helena Government staff involved and also my more experienced fellow Councillors. Unfortunately

we were unable to convince DfID and achieve all that we would have liked for St Helena, the island we so passionately want to develop.

Over many months, elected members have been desperately appealing to DfID to commit to funding a Capital Programme for St Helena without success. Her Excellency the Governor agreed to meet with elected members to discuss our grave concerns over the constraints placed on the 2018/19 budget and the absence of a Capital Programme. Following the meeting, the Governor wrote to DfID and shared the letter, dated 12<sup>th</sup> July 2018, with elected members. Mr Speaker, Councillors were expected to come into this Chamber for a formal sitting on Friday, 27<sup>th</sup> July, forced to work for four months into the new financial year with just a rollover budget, knowing we will have an inadequate budget to work with during the next eight months and no commitment to a Capital Programme from United Kingdom. This cannot be described as working in partnership for the good governance of St Helena according to the St Helena Constitution albeit at the eleventh hour on Thursday, 26<sup>th</sup> July, Her Excellency shared DfID's response with elected members of facilitating the new Capital Programme for St Helena. As the recipient of financial aid it is never too late for St Helena to receive good news from the Government and therefore I extend my gratitude to the Department for International Development. We can now be reasonably optimistic that the St Helena Government and DfID will start work on establishing a creditable Capital Programme for St Helena and that the true spirit of the constitutional partnership values between St Helena and the United Kingdom will be rekindled. Thank you, Mr Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Clint Beard?

The Hon. Clint Beard –

Mr Speaker, I rise in support of this Adjournment Debate. This will be short. As was previously mentioned I'll talk about the positive as that is the mindset we need at this time. I again commend the people of St Helena as with all the increases happening one after the next the people are very resilient as still continue to make changes to combat these, but we need to ask how long can this continue. There are a few things that I would like to mention that's positive that I see and these are the locals that are now taken over positions. I'll mention two which would be Martin George and Helena Bennett and how they have taken things over and steadily moved ahead, controlling the team and putting St Helena on the map and that has been lacking of recent so I commend them in their roles.

I just would like to raise an issue and I think as we know you may be aware that those returning locals, especially those supported by the Education Directorate through the Scholarship Programme, gets integrated into the employment system on island. Those skills attained at the Universities can be used. SHG commits to spend a fair amount of funds on these students and we should make sure that they have appropriate jobs and they see St Helena as a place to start their careers. I think that should be done in a rather hasty situation because I sometimes feel that lots of these individuals are sitting out there on short-term contracts or some of them without employment. Thank you, Mr Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Thank you, Mr Speaker, I rise in support of the Adjournment Debate. I wish to make reference to the recent demonstration by the public against the recent increases in the proposed water tariffs. This has portrayed the frustration in the community in respect of the ever increasing



cost of living on the island. The recent flux of increases in basic commodities has made life very difficult for most people. The prices in the shop are the result of the high freight charges and Customs tariffs and other related issues. Returning Saints and visitors cannot believe the high cost of living on the island, taking into account the logistics of everything involved. Mr Speaker, I find it difficult to understand how many of our low income pensioners and social recipients can make ends meet on £60 to £70 a week. The shelves in most shops are partially empty and everyone complaining too. The price of local fish is more expensive than imported chicken, but some of the local vegetables are more expensive than the imported vegetables. The high cost of living on the island is deterring Saints from travelling to return to the island to settle and I'm also sure it would be a deterrent for the tourism industry.

Speaking of tourism and the night life in Jamestown, the Grand Parade area and other areas in Jamestown are poorly lit. Following the Police move into Jamestown that has contributed to some lighting in the area. I previously raised this concern at AOB in ExCo which has been referred to the appropriate Directorate. It is surprising, Mr Speaker, how in the large investment in renovating the new Police establishment in Upper Jamestown that there is no signage to indicate to the public where is the Police Headquarters or how it is expected for visitors to the island to know where is the Police Headquarters or the Immigration Office with no visible signage.

Mr Speaker, there are still public concerns relating to the artifacts off the RMS. I understand that a Working Committee was formed to dispose of these items, but the public is still not aware of what is in place or what is planned for this to happen.

Finally, Mr Speaker, I support Dr Essex exposition on the Constitutional Review, it has been talked about for quite some time now and we must start somewhere. I think the timing is right for a review and it is now mid of this government in office and I think this is probably an appropriate time for this exercise to commence. Thank you, Mr Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Christine Scipio O'Dean?

The Hon. Christine Scipio O'Dean –

Thank you, Mr Speaker. Mr Speaker, in April of this year I was privileged to attend the British Islands and Mediterranean Regional Commonwealth Women Parliamentarian Conference in London, an interesting and challenging event. Bad weather delayed the start of the mission, arriving late in Johannesburg with only pounds sterling which wasn't accepted for payment and the exchange bureau closed just added unwanted stress. Luckily I was assisted by a fellow passenger who had a bank card. Saints who don't have an overseas bank account would not have bank cards available to them. On my return I raised this concern about the availability of Rands on island only to be told that the Bank of St Helena do not import South African Rands. How can this be that Saints are expected to travel through a foreign country without the means to pay for a cup of coffee, use public conveniences, pay for a taxi or even make a phone call for help as the currency they carry is not acceptable. I would ask that St Helena Government in collaboration with the Bank of St Helena take urgent steps to remedy this disgraceful predicament. Upon my return in May, it was disappointing to see at St Helena Airport that Immigration Landing Cards are issued for completion where inadequate space was provided to arriving passengers to complete their forms; passengers were sitting on the floor. I was given the assurance by the Chief Secretary in an Executive Council meeting that Landing Cards and other associated documentation for completion will be issued on the aircraft prior to its arrival. It appears that this has not taken place as the flight that arrived last Saturday incoming passengers were asked to complete the Immigration Landing Cards upon arrival. I would again question why this documentation is not issued on the aircraft prior to its arrival. In October

2013, concern was raised in this House regarding the Health and Safety issues at the Duke of Edinburgh Playground. The branches were eventually trimmed, but the area is not kept clean. For the past five years there has been discussions about the responsibility of the Duke of Edinburgh Playground. The Recreation and Playgrounds Closing Regulations states that the Council Committee may in their discretion order the temporary closing to the public of the whole or any part of recreation or playground for the purposes of management or maintenance. According to Legal Notice 15/1999 the Council Committee is the Education Committee. I believe that there is signage stating that the Duke of Edinburgh Playground is closed by order of the Education Committee. I was unable to locate the date when this sign was erected and would question if it is still valid or maybe it has been there for too long that it's now part of our heritage. The Management and Control Regulations states that the Council Committee shall be responsible for the general management and control of recreation and playgrounds. I have questioned on numerous occasions with members of staff within the AG's Chambers to determine general management in which I have been advised general management does not include maintenance. There appears to be a gray area as the Council Committee Order for Education Committee does not include the management of playground and recreational areas, hence the Education Committee has not included any funding within the Directorate budget for any associated management costs for the Duke of Edinburgh Playground. Constituents and visitors have raised concern about the poor state of the Duke of Edinburgh Playground and I urge Crown Estates as the owners to give this matter immediate attention.

The Chief Secretary stated last Friday that the Safeguarding Directorate is successful with achieving its mission and strategic objectives which includes protecting the vulnerable. I believe that in this House in March 2017 we were informed by Honourable Brian Isaac that a Social Protection Review Working Committee had been established to review the Social Benefits system. The purpose of this review is to develop and appraise a number of options which could update the current system in the short to medium term. It would take into consideration assistance to those who are in need the most. A recommendation would be presented to Legislative Council for implementation from 1<sup>st</sup> April 2018. The Honourable Brian Isaac also stated that this House would be kept fully apprised of the progress of this review and that the timescale for implementation would not be further delayed. There are individuals in the community who are unable to work due to various health conditions, who are at great risk of emotional stress, anxiety, personality disorders and frustration. These individuals are unable to make a claim against the benefits system as they are slightly above the poverty threshold due to a family member living with them. There is concern that there are individuals who are financially struggling and further increases in the cost of living just adds sin to misery. It is hoped that now that there is an approved budget that this review can be completed within this financial year so that financial support can be given to those individuals who desperately need it.

I have been approached by a constituent who has supported the decision to provide additional financial support to Mantis St Helena Hotel, but stated that they had been previously told of the three million plus visitors that go to Cape Town every year and that if we had a regular flight connection with Cape Town we could possibly attract an additional twenty visitors a week for part of the year. Twenty visitors at £900 for thirty weeks would equate to £540k in airline revenues. If those same twenty visitors were to stay in the Mantis St Helena Hotel at £100 per night for a week for thirty weeks it would equate to £420k thus eliminating St Helena Government's investment of £350k. For once in our life we could have had our cake and eat it too. This transitional period has been extremely challenging. We try to give our constituents words of encouragement, hope and optimism but even I am currently struggling with this concept and I cannot help wondering how soon the branch on the tree will crack, break and fall. I beg to move.

The Speaker –

Thank you, Honourable Member. Is there any other Honourable Member who would like to speak? Yes, Honourable Russell Yon?

The Hon. Russell Yon –

Mr Speaker, I rise in support of the Adjournment Debate. What a year it has been. I gather from a lot of people on the outside it has not been as favourable to them from this Council as they had expected yet. Most are saying that we have achieved some inroads. I understand the frustration of all of us and most of that comes down to not being able to do or to achieve what we wanted to when we were elected to office. The outpour from the public who expected us all to hit the ground running and to deliver everything that would make their lives better. Financially this has been a year where everyone wanted to know where to turn next and it seems this will continue for a long time yet as we get to grips trying to find our way in the world. Expectations were high when the airport opened and almost everyone on the island believed that better times lie ahead. The visitors would come, hotels, b&b's and our streets would become full with tourists. The community gathered, chatted and involved in what to expect on how this little island would soon become the place for the world seasoned tourist to talk and write home about. What a difference a year makes, a few tourists have come to our shores and the financial support has been given to St Helena Hotel Development, or, as we refer to it, the Mantis Hotel, Enterprise St Helena has developed a business support initiative to provide for the private accommodation sector and almost everyone everywhere is looking for financial support. The likes of Basil Read, our airport contractor, has gone into business rescue and the effects of this can be felt not only on the island but further afield also. Who would have thought that this would have happened to Basil Read who only recently was leading the way in allowing our people to inject so much money into a growing economy. Only time can tell and, my God, what time it has been, this is no illusion, this is St Helena at its lowest ebb. The people are frustrated and the once buoyant vibes that rose from the valleys are now being replaced with vibes of despair. We never seem to get it right and for God's sake we cannot continue to kid ourselves and to say the next time. We have had so many next times and we still don't seem to get it right. Every time there seems to be an uplift on the island something cruel happens and we get another slap in the face. It seems to me like we are not going to be allowed to ride the tip of the wave. Nothing ever seems to be right for St Helena, even our own people are so disjointed at times that no wonders how we come to get to where we are. The recent protests and petition against the increased water charges by Connect St Helena is prime example that everyone is now feeling the pinch and even with the additional subsidy from St Helena Government it will not suffice. How can we blame our people for the feelings that they are having. Every day something or some things to increase in prices and we are to be faced with increasing freight charges every time the MV Helena deliver goods on our shore then by golly we may as well give up. The daily increases are having its toll on all of us and to make it worse the paycheck is not increasing. We have to face reality and acknowledge that we were fooled along the way and some decisions made by Councillors past and present cannot be undone. They can be counterbalanced but that means that we will have to address that and make sure that we all will not fall into this pit again. We need to be seen as leading the flock out of the doldrums and into a future of prosperity. Time will tell, but time is not on our side. Mr Speaker, we are not desperate and I have full confidence in all of us that we will not let desperation sit in. We have enough strength to rescue what we have to make a better future even if it means letting go of something that we thought would be beneficial to have. We need some radical changes and we also need to start thinking outside of the box for what we see can bring a better future to the island and her people. The change in shifting from

Johannesburg to Cape Town as our main hub would be beneficial, so too the Fifth Freedom Rights which will allow the transfer of passengers at Windhoek and if possible a decrease in the air fares, difficult, to say the least, but a possibility. Only then that I believe we will see the best what the airport can bring us. We need to be innovative and this time we also need to have innovative people working with us to get the best of what we have to offer. I read recently that the island's politicians can't see the trees in the forest. This was posted on Facebook by someone I hold high esteem of. It is a shame that one think this way when they, the same person, almost cried their way through these very doors of this Chambers a few months ago. However, it is like its and they will also need to be strong but it is also these people who feel that we have not done enough to support the growing change on the island. Some feel that we have created a monster that is now coming back to wreak havoc on us. We must change that perception, we must reach out and capture what we are hearing and being told so that we can develop an island by listening to the challenges that everyday people are faced with.

Mr Speaker, today I would like to take a breather and inhale the goodness that we have given back and at the same time look at ways we all can move forward to encompass some, if not all, the challenges that we face. Only then will we have a better tomorrow and only then we can say we have achieved. It will be difficult, but I feel a step in the right direction will be the start of what we must all learn to do and that is work together. We cannot continue to be pulling into opposite directions yet wanting the same outcome. Following on from my budget speech earlier, I feel it is time to offer the Olive branch to our partners at DfID and work together for a brighter future. The mistakes made yesterday is no good for tomorrow, but we can learn from the mistakes and make sure that we are competent enough not to make them again. We are in this together so let's harness this partnership and work together to address the enormous challenges ahead and for a brighter future for our island and her people. Mr Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. Is there any other Honourable Member who wishes to speak?  
The Honourable Kylie Hercules?

The Hon. Kylie Hercules –

Thank you, Mr Speaker. Mr Speaker, I rise in support of the Adjournment Debate. St Helena has become a sad place very suddenly, but why I wonder? Perhaps mostly attributed to a drop in our economy, but was there a real economy on St Helena or are we in a false economy? I would say that if the majority of the finances on island are based on UK aid for both recurrent and capital that it is somewhat false in my opinion. We have the exportation of some products, especially fish, typically fish and coffee at present, both of which have not reached their full potential. What else do we have to offer as St Helena, which has not been captured within our Sustainable Economic Development Plan is a question that I ask myself and I have concluded that there are other unexplored areas of which are required to be developed and brought to this Honourable House. One of these ideas was brought to my attention in a Workshop. The individual believes that our people and their skills to have the potential to become a service to be offered to the outside world. I must admit that this is a possible option which I also believe should be explored. Another possible option is one that I have been considering for some time and recently I found a member of the community who shares the same idea and who I must give credit to as they have carried out a huge amount of work and research already. One of my colleagues in this Honourable House today has been approached and has also concluded that this is an option to be explored further, so decided to assist in exploring. I should also thank them for their input. I am at present not able to share any detailed information as we have work

still ongoing behind the scenes, I will, however, ensure that information is made publicly available once worked up.

A long time of exploring possible options I have been looking at ways in which SHG as the largest employer on St Helena can make effective and positive changes which I see both personal and objective benefits from, bringing about employee satisfaction whilst also seeing value for money as an efficient, effective and responsible Government. Supervision or equivalent, but possibly under a different term, is one of the key elements to a productive employer/employee relationship. There are only a few that I am aware of which has supervision within their respective Directorates. Within every Directorate there are Supervisors, Managers or equivalent. Whilst I appreciate and fully acknowledge here today there is a lack of physical capacity, we cannot change this overnight and therefore need to work with what we have as an entity. There is no one entity which is perfect and there is always room for improvement. For SHG this is again limited as substantial areas of improvement require more financial input. Having said this, I must also advise that there is potential for improvement without such a significant input of funding. One example is for management to daily require responsibility for workforce and put into practice at least monthly supervision or equivalent sessions. These sessions will determine short-term tasks which will contribute to firstly appraisal objectives and secondly the overall strategic objectives of SHG. These tasks will allow the employee the knowledge of expectations of them as well as inform them as to how they are required of the strategic objectives. Weekly expected tasks should be determined within the supervision sessions, the obvious ....?.....interferences should be catered for or room allowed for such. Evaluation should be completed against these tasks in the following supervision session. This may involve extra administration and management, however, the achievement of tasks and increase of approach which should in turn engage employee satisfaction as well should outweigh the cost of additional administration required as our people are our biggest resource. I do hope this option can be explored in more depth as I have not worked up all the finer details.

St Helena Government has a Code of Management which is an overarching document within SHG. This document rightly has a section on the employment of persons who has been convicted within a Court for offences. Having looked at some detail, I do strongly believe that there is room for change given the relatively small population which are of working age, an overall aim for SHG in its 10-year plan the rehabilitation of offenders should consider lower level convictions which are not of a sexual or violent nature to be.....period of time from the conviction to apply and be fully considered for employment within all roles in SHG. This may be .....?.....considering persons for roles which could mean more disposable income for an individual, increased revenues directly related to that and moving towards one of our goals altogether welcome. Equality is a human right, that seems that local people are not seeing it on the terms of the level of remuneration in comparison to Technical Cooperation posts. Whilst the Technical Cooperation posts have allowances attached the remuneration itself are more than any individual who is classed as a local resident receive, even if academic and experience are ....?..... All individuals should be treated and remunerated ....?..... whether resident or not. If a local resident has applied for a post internationally they would not be paid less and whilst international economy scales would differ from that of a small island I am not convinced that this is the basis for justification of areas in remuneration which differs based upon residency. I'd be interested in how remuneration for residents in comparison to non residents is determined. Last year, the Chief Secretary, Mr Roy Burke, stated in response to the localization of posts that there were posts identified for locals to take over from TCs and the current Chief Secretary, Mrs Susan O'Bey, on Friday of last week also stated there had been TC posts identified which can be taken over by locals. I am sure that there could be more posts localized if the appropriate remuneration was awarded. There are St Helenians living abroad who have

the potential to fill roles, however, will not return as they will not be remunerated for their hard work and academic qualifications as they could and would be internationally.

Mr Speaker, I'd like to draw attention to the public document standing in the name of DfID Overseas Territories Country Profile July 2018. This document provides details as to DfID obligations, contributions and headline deliverables, to name a few of the sections, to the Overseas Territories. One of the headline deliverables are – supporting the governments of St Helena and Montserrat transition to self sufficiency and eventually reduce their reliance on UK aid for their public services. I will focus on the statement ...?....St Helena only. When I found this document I felt some hope as DfID had said they both shared a common goal, St Helena's financial ....?ments. One puzzling question has become repetitive in my head, if we share a common goal, why does it appear that we will not achieve this shared goal if we continue as we are? I would ask if DfID and St Helena share a common goal if there would be more support from DfID in achieving this goal. I ...?.... support and this does not necessarily mean funding, an open relationship which allows constructive feedback and vital communication networks so as plans can be devised between both parties to move towards a common goal.

Mr Speaker, it has been a year and a few days to be precise since I was elected by people of St Helena. May I say it was an honour to be chosen, but this year it has been the most emotional vibe for me out of my twenty-eight years. I cannot help but feel the hurt that is evident in people's eyes as they continue to be resilient and adaptable, as described by the Financial Secretary in his budget speech. It is a credit to people on St Helena to have such a description, however, we should not always count on these qualities and take them foregranted in some instances as the day will come, and I see this day in the near future, when the description will no longer apply. Mr Speaker, I beg to move.

The Speaker –

Thank you, Honourable Member. Is there any other Honourable Member who would like to speak to the debate? Honourable Gavin Ellick?

The Hon. Gavin Ellick –

I'm only standing for involvement, Sir, in the Adjournment Debate. I'm wondering, like DfID. I would like to pay a tribute and thanks to those who are involved in the propagation and the roles of looking after our endemics. From the Nursery at Scotland to those who clean the Peaks, for the National Trust for the Wirebirds, Bugs and the Millennium Forest. Last week, we were elected as members to attend the Opening Day at Scotland where we were given a tour of the endemics in the Nursery and the many thousands of plants which we were able to see, so thank you to Darren, Vanessa, Stedson, Laurence, Rebecca and all the teams who are doing a very good job to ensure that we will have the endemics for years to come.

Sir, I beg to move.

The Speaker –

Thank you, Honourable Member. Is there anyone else who would like to speak to the Motion? No? Then the Honourable Chief Secretary, would you like to wind up or do you need some time to .....?

The Hon. Susan O'Bey –

Mr Speaker, I thank the Honourable Members for their contributions today. I will attempt to address your points in order. First of all I'd like to draw on a point that the Honourable Derek Thomas made about planning for next year's budget. This session today has been very much about the current year's budget, we've spoken about the difficult choices that we've had to make, we've spoken about the long and tedious process and unfortunately I can't offer you an

encouragement to say that you can now rest because as you know we are needing to make a start on next year's budget.

The Honourable Lawson Henry referred to the Foreign Affairs Select Committee and The Future of the Overseas Territories Review that is about to take place. I apologise on behalf of the Administration that no official announcement was made, however, like the Honourable Member, I would urge Members to contribute to provide evidence and we will certainly pull together to make sure that we have a submission that meets the deadline in early September.

I'm also encouraged that the companion fares that were recently announced last week are seen as positive, both by yourselves and by members of the community and like you we look forward to seeing the outcome of the review of the air services which will shortly be finalised.

Another point that Honourable Lawson Henry mentioned was about the labour market and in a population of just over four and a half thousand people it is very difficult to be able to furnish all of our needs. The Honourable Councillor mentioned the hospitality and the tourism sectors, but we all know that there are other areas which are equally suffering as a result of the shortage. It might be timely that we consider pulling together and designing a labour market strategy which identifies the moves forward and sets out what our policies are in terms of how we will address this.

I will also undertake to talk with the local SAMS to see how we can improve the transmission of LegCo proceedings.

The Honourable Dr Essex spoke about change and the need for improving systems, improving operations and whether we are ready and, indeed, whether we want to embark on Constitutional change. Change is good, change is important, particularly if we want to become the kind of community and island that we all appreciate. What I would say again is if there are areas that Members wish to highlight, particularly in relation to SHG operations that are areas of concern, then please do so, please draw these to our attention. We are aware of some of them, but it is always good to hear of others. I would like to say that perhaps there's a very good opportunity that exists and I'm going to link this back to the budget process that we're about to start on the next year's budget. At the moment, elected members, together with Directorates, are establishing what the policy priorities will be for the next year's planning period, so, indeed, if these things are your wishes and if these are areas that you would like to see tackled I would urge that you include them as planning policy priorities through this process. Similarly with Motions, I am aware that a number of Motions have been passed, I am also aware that there is frustration that some of these appear not to be moving forward. I would urge again that this is your opportunity to make sure that the Motions that you feel strongly about are included within these priorities, because it is these priorities that will inform the budget and planning process for the next three years.

The Honourable Member also referred to a post to support elected members. This post is actually being developed in response to concerns expressed on a number of occasions by a number of you sitting in this forum today. We recognise, and certainly since I've been in this role, I recognise the sheer volume of work that you are expected to deal with. We also recognise the volume of work that we, as officials, have to do in terms of supporting you to make sure that you are able to do this, so I would say that this post is actually of mutual benefit to all of us. Terms of reference are being drafted as we speak and will be shared with all elected members for your input to make sure that the support that we are able to provide you'll be supported, will be able to cater to all of the needs that you will identify as elected members.

We've heard today mention about working together, indeed, the Honourable Financial Secretary in his budget speech spoke about working together and I would like to reiterate that. Councillor Leo referred to the need to work together as we move forward.

We also heard about the Scholarship Programme and the importance, which Councillor Beard mentioned, about ensuring that young people who embark upon such programmes are then able

to usefully use those skills back in our island community. Again, I would suggest that this is something that could also be included as we take a more holistic view of how our labour market develops over time.

There are definitely challenges ahead, we've all referred to those challenges at different times today and last Friday and, again, it is only by working together that we will be able to come up with a common solution or perhaps I should say solutions.

Councillor Scipio O'Dean made reference to the difficulties experienced by local travellers, particularly with regard to currency and travelling abroad. I can say that I am aware the Bank of St Helena will by the end of this year make available pre-loaded Bank Cards which will certainly support people who are travelling, pre-paid Bank Cards I should say.

I can also confirm to Councillor Scipio O'Dean that certainly that point about documentation being issued onboard flights was certainly taken forward, I am aware that it happens on some flights, but apparently it doesn't happen on all flights. Unfortunately we can only rely on the air service, sorry, on the airline crew to ensure that this happens, but we will continue to reiterate this point.

In terms of the Social Benefits Review there is a Working Group that is currently reviewing benefits and, again, that work will be brought to Members for your consideration.

We've heard a lot today about St Helena being a sad place, St Helena being in the doldrums, we've heard about the difficult times that we're facing and I think I mentioned this last time it is very easy to dwell on the negatives, sometimes at the cost of highlighting the positives. It was very convenient actually when Councillor Hercules mentioned that it's one year round about this time that you've all been in your roles as Legislative Council Members and I would say that a lot has been achieved, there is still a long way to go, but I think it is important to reflect on how much you have achieved, I'm not going to go through that list, because I think it's been well amplified by various people during the last two days. However, we also talked about leading the flock and I would say that you are the Shepherds who are leading the flock. We are there to support you, but really it's you who are going to be the Shepherds and I think it is really important that you are able to provide the optimism that people need to help them to overcome the doldrums and to move from a sad place to a place where people feel that they can see a brighter future.

We talk about the need to share a common goal and I believe that recent communications from the DfID Minister sets out exactly that sentiment, we do want to be working together and we have got now a very good opportunity to be able to shape the way we go forward. I believe that the budget process this year has also been an extremely valuable opportunity to learn lessons. I know we've certainly learnt a lot and I would hope that we can use that experience to help us, together with our colleagues in DfID, to make sure that next year when we are at this point that we'll be looking back and saying we've certainly come a long way.

Finally, I think it was very important that Councillor Ellick took the opportunity to congratulate the Conservation Teams. It is times like this when we realise that what a wealth we have in terms of our natural assets and what a wealth we have in terms of people who are so committed. They work quietly in the background, they are sometimes overlooked, but they certainly make a huge contribution towards ensuring that our future generations will have something that they can be proud of and will have a future that is bright and cheerful.

I would like to also take this opportunity to pay tribute to my Honourable Friend, the Financial Secretary and his team, to all of you and to all of the Directorates. This has been a challenging time, but I think it has also been a time that has shown that by working together we can perhaps overcome obstacles and we can come up with a solution that whilst might not be seen to be the best for everybody it certainly is a solution that's going to be able to get us to move one step closer to where we want to be, so I'd like to say a very big thank you to everybody and, Mr Speaker, I beg to move.



The Speaker –

Thank you very much indeed. Well, Honourable Members, we've come to the end of this session and my thanks .to you for passing the budget, for your calendar year, for your government here, for your place here, your island here and the people and it's been a difficult task as I know, but wanted it to all have a part and wanted to get the best results from it, very interesting discussions and we look forward to perhaps to getting ready for the next budget very soon. That's all I have to say and to thank you. I put the question then that this Council no do adjourn sine die.

Question that Council do adjourn sine die, put and agreed to.

**Council is adjourned sine die.**