

S.P. 08/18



**St Helena
Government**

ST HELENA GOVERNMENT

SPECIAL WARRANT NO 1 OF 2017/2018

Laid on the table 23rd March 2018

SPECIAL WARRANTTo: The Financial Secretary

Whereas it has become necessary in the interests of the Public Service to incur certain Expenditure not provided for on the Estimates, as set forth in the subjoined Schedule.

You are hereby, authorised and required to pay from the Consolidated Fund the sum of **One Hundred and Seventy Three Thousand Pounds** and to charge it to the Heads and Sub-heads of Expenditure specified in the Schedule.

And for so doing this together with the proper Accounts, Certificates and Acquittances shall be your sufficient warrant and discharge.

.....*L MacManan*.....
Governor

Date*13/12*...../2017

SCHEDULE

Particulars	To be charged to		£
	Head	Sub-head	
Subsidy to the St Helena Fisheries Corporation	17	1706-026-06118	£173,000
	Total		£173,000

(Special Warrants are to be prepared in triplicate and copies to be filed in the Offices of the Chief Secretary, Financial Secretary and Chief Auditor)

Application for a Special Warrant under Head and Sub-heads

Shown overleaf

This request is for an urgent appropriation of funds to support the St Helena Fisheries Corporation (SHFC) following the Executive Council meeting dated 17 November 2017 where it was agreed to support the fishing industry through short term financial support. The SHFC is in serious financial difficulty and requires additional funds from SHG in order to ensure that the industry can continue.

The short term financial support to SHFC will also allow sufficient time to be able to agree and commence implementation of an Improvement Plan to improve the profitability of the SHFC and the industry through cost efficiency and reduction measures and revenue generation initiatives.

The SHFC is a statutory corporation established by s.3 of the St Helena Fisheries Corporation Ordinance. It is managed by a Board appointed by the Governor and is required to exercise the functions and powers of the corporation subject to any instructions or directions given by the Governor in Council.

The Fisheries Strategy, agreed by the working group earlier this year but not yet endorsed by Executive Council, set out a clear vision for the future of St Helena's fishing industry following lots of work. However, the financial situation of SHFC now means that some additional options need to be considered to address the funding gaps that now exist.

The required financial package from SHG to the SHFC in this financial year is an additional £173,000 over and above the current subsidy approved by Legislative Council of £180,000. This means that the total financial support to the fishing industry on St Helena from SHG will amount to over £350,000. The additional financial support is detailed below:

Subsidy requirement:

- **£100,000 additional subsidy required** over and above the current agreed subsidy of £180,000 in this financial year. This will bring the total subsidy for 2017/18 to £280,000. This additional subsidy will be required to support the repayment plan to clear Connect St Helena debt as required by their letter dated 30 October 2017 and to cover the day to day operational costs and cash flow of the SHFC to the end of the financial year.

Capital Investment requirement:

- **£73,000 capital investment** to upgrade and replace essential assets to ensure that the processing of fish can continue in the short term. The detail is as follows:
 - £20,000 – expenditure already incurred by SHFC for emergency refrigeration repairs to pipes,
 - £20,000 - 2 x Refrigeration Compressor Service Kits which is required to ensure that SHFC is able to fix the compressors on the freezers should they fail. The freezers and compressors are being operated beyond their useful life and therefore the risk of a failure is high and the impact also high,
 - £11,000 - condenser,
 - £10,000 - replacement forklift,
 - £4,000 - pallet truck,
 - £3,000 – refrigeration gas,
 - £5,000 - vacuum machine

Summary of Application

Head	Sub-head	Approved Estimate £	This Application £	Revised Total £	Expected Savings		
					Head	Sub-head	£
17	1706-026-06118	180,000	173,000	353,000		Withdrawal from the Consolidated Fund	173,000
Total		180,000	173,000	353,000			173,000

Financial Secretary


Date: 13 December 2017

