

ST. HELENA
LEGISLATIVE COUNCIL

THE SPEAKER

Mrs Margaret Anne Catherine Hopkins MBE

EX-OFFICIO MEMBERS

The Honourable Chief Secretary	-	Mr Andrew Ronald Wells
The Honourable Financial Secretary	-	Mr Paul Blessington
The Honourable Attorney General	-	Mr Kenneth Ian Baddon

ELECTED MEMBERS

The Honourable Rodney Garth Buckley	-	East Electoral Area
The Honourable John Gilbert Cranfield	-	“ “ “
The Honourable Cyril Keith Gunnell	-	“ “ “
The Honourable Brian William Isaac	-	“ “ “
The Honourable Bernice Alicia Olsson	-	“ “ “
The Honourable Michael Anthony Benjamin	-	West Electoral Area
The Honourable Stedson Graham Francis	-	“ “ “
The Honourable Anthony Arthur Green	-	“ “ “
The Honourable Derek Franklin Thomas	-	“ “ “
The Honourable Raymond Kenneth Williams	-	“ “ “
The Honourable Tara Thomas	-	East Electoral Area (Overseas)
The Honourable Mervyn Yon	-	West Electoral Area (Overseas)

CLERK OF COUNCILS

Miss Gina Benjamin

PROCEEDINGS OF THE LEGISLATIVE COUNCIL

Monday, 22nd March, 2010

The Council met at 8.45 am
in the Court House, Jamestown

(The Speaker in the Chair)

ORDER OF THE DAY

1. PRAYERS

(The Rt. Rev. Bishop John Salt)

2. ADDRESS BY THE PRESIDENT

My Lord Bishop, Honourable Members, members of the public, both here in the Court House and listening over the radio, welcome to the second day of the second meeting of this Council. The Order Paper for today includes further Questions and then Motions. As is customary, the Financial Secretary gave his Budget Speech on Friday and the debate on the Appropriation Bill was then adjourned until today. I look forward to hearing Honourable Members' contributions to that debate. Another item of business, which was started on Friday and adjourned to today, was a Bill for an Ordinance for the remuneration, allowances and other benefits of members of the Legislative Council. The process on Friday was unusual, perhaps unique, in that none of the elected Members spoke to the Motion. As I said at the time, this was perhaps not surprising since they all, like me and the Deputy Speaker, have a financial interest in the matter. The new Constitution requires, in the interest of openness and accountability, that Members' remuneration and allowances are fixed by an Ordinance, but it is important to understand that this does not allow Members to decide their own rate of pay. The Ordinance can only award the rate recommended by an independent body appointed by the Governor. Those recommendations were presented to the Council on Friday and the Bill is designed to carry those recommendations into law. The Bill has to go through the same steps as any other Bill brought to this House. We have finished the first stage of the Bill and will in due course, probably later today, come to the second and third stages. Following this short address, we will turn to Questions and I would remind you Honourable Members that when asking supplementary questions they must be questions and not be preceded by statements. They must also be about the subject matter of the original question and not introduce a new issue. I should be grateful if you would bear this in mind. I shall again try to keep sessions to a reasonable length during the day as the air conditioning is

not reaching all parts of the Court House and it becomes uncomfortable very quickly. I trust the sound system will perform rather better than it did on Friday. The various background noises from air conditioning units cannot be got rid of, but both I and all Honourable Members will try to speak clearly into the microphones. Perhaps members of the public service who have joined us for the meeting would wave a hand at me if they can't hear me. I'm afraid they will not hear the Honourable Members who are facing this direction unless the speaker system in here has miraculously been cured over the weekend; I fear it will not have been cured. Honourable Members may wish to remove their jackets before the Clerk announces the next item of business. Thank you.

3. QUESTIONS

Question 1. The Honourable Cyril Gunnell to ask the Honourable Chairman, Infrastructure and Utilities Committee.

The Hon. Cyril Gunnell –

Madam Speaker, what is the total output of the wind turbine generators at Deadwood and what are the Power Station generators saving in fuel consumption?

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac, Deputy Chairman, Infrastructure and Utilities Committee.

The Hon. Brian Isaac –

Madam Speaker, the additional wind turbines were commissioned in November 2009. Data from the Energy Division shows that in December 2009, the wind turbines produced 13% of the island's generated needs. In January and February 2010, the figure was 11%, in total over this three month period, this equates to a quarter of a million units of electricity and has realised a fuel savings of almost 70,000 litres. These figures are in line with the projections made at the time of preparing the 2010/2011 budget and the budget assumes this level of performance is maintained. Madam Speaker, to further assist the Honourable Member and with your permission, I have with me a graph of the savings made by the wind generation at Deadwood Plain which will assist the Honourable Members. Do I have your permission to give a graph of the savings of fuel?

The Speaker –

Honourable Member, do you wish to circulate those to Members?

The Hon. Brian Isaac –

Yes.

The Speaker –

I'm sure Honourable Members will appreciate that.

The Hon. Brian Isaac –

Thank you, Honourable Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

I'm grateful for the graph, it saves me asking a question actually, but Madam Speaker, how are the improvements in the electricity generation system affecting the cost of producing electricity?

The Speaker –

Honourable Deputy Chairman? Could the Honourable Member perhaps repeat his question if it's a problem?

The Hon. Brian Isaac –

Yes, I wouldn't mind, Madam Speaker.

The Hon. Cyril Gunnell –

Madam Speaker, how are the improvements in the electricity generation system affecting the cost of producing electricity?

The Speaker –

Honourable Member, you have deviated somewhat from your original question. Are you referring to the wind turbine generators or in general to the electricity system?

The Hon. Cyril Gunnell –

Wind turbines, Madam Chairman.

The Speaker –

Thank you. Honourable Chairman?

The Hon. Brian Isaac –

Madam Speaker, the operation of the wind turbines are actually by the wind turning the turbines which comes with no costs, so the production of wind generation electricity is very little cost, well actually no cost, but the infrastructure cost, that's over the past year, cost some more additional money because spares had to be provided to get them all up and running so at the moment out of the six there are five, so the cost it was on the infrastructure side, but to actually generate the electricity, the wind is free. Thank you, Madam Speaker.

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Just one final question, Madam Chairman, Madam Speaker, I beg your pardon. What is SHG's plans for passing on the benefits of cheaper electricity to the consumer?

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, this will have to be done once the Department assumes that there are savings from the wind turbines, the cost which is currently imposed on the consumer will reduce within time. Thank you, Madam Speaker.

The Speaker –

The Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Can the Deputy Chair say if the spares cost were charged to the recurrent budget?

The Hon. Brian Isaac –

No, this didn't come out of the recurrent budget, this was additional funds provided by DfID to get the wind turbines all up and running.

The Hon. Rodney Buckley –

Thank you.

The Speaker –

Honourable Stedson Francis?

The Hon. Stedson Francis –

Would the Deputy Chairman also provide fuel used for the same period as he did units generated and by the diesel as well as the wind turbines?

The Hon. Brian Isaac –

Madam Speaker, I think that's a deviation from the original question as we're talking about the wind turbines, but I'm sure that we can provide such information as required. Thank you.

The Speaker –

Next item of business.

Question 2. The Honourable Stedson Francis to ask the Honourable Chairman, Civil Society, Tourism and Leisure Committee.

The Hon. Stedson Francis –

Will the Honourable Chairman of the Civil Society, Tourism and Leisure Committee say what measures are being put in place to ensure that arrangements for the visiting cruise ships expected to arrive in the next few months are well organised and all their needs are catered for?

The Speaker –

Thank you, Honourable Member. The Honourable Bernice Olsson, Chairman, Civil Society, Tourism and Leisure Committee.

The Hon. Bernice Olsson –

Thank you, Madam Speaker, thank you Honourable Member. Madam Speaker, during the next few weeks, the island expects to receive visits from the following cruise ships: MS Queen Mary 2 on 30th March, MS Aurora 9th April and Professor Molchanov on 16th April. The Queen Mary 2 is the largest cruise ship calling at St. Helena and its visit is made more special by the fact that this her inaugural visit to the island. The arrival of the QM2 is significant in that the number of passengers and crew potentially onboard is the same as or similar to the current population of the island. The implications of the management and entertainment and hosting of several thousand visitors on our island are unimaginable and we basically have to pull out all the stops to ensure that the visit is successful and that our guests go away with wonderful memories of a great St. Helena experience. The Aurora has visited

the island on several occasions, most recently in January 2009 when bad seas prevented her from landing her passengers. We hope that she doesn't have a similar experience on this occasion. In preparation for these visits, the following is being organised: Arrival reception of the visitors. For the arrival of these ships and, in particular, the QM2, it is important that we give our visitors a warm, St. Helena welcome to our shores. Ideas currently being pursued for the visit of the QM2 include having a local band on the seafront to play visitors ashore, having the seafront festooned with bunting, I hope we're going to have some decent bunting because we only have plastic that looks all torn and weather beaten, a welcome archway which is locally made and decorated with local flora. Madam Speaker, tours. In addition to the two tours which are usually offered to visitors, island tours included visits to Napoleonic sites, walking tour of Jamestown, St. Helena Tourism Department put together a list of tours which would offer wider scope of attractions and activities so that the volume of visitors will be spread around the island in different locations. Twenty-one additional tours were offered to the QM2. They responded and expressed interest in three of these. Madam Speaker, High Knoll Fort tour will probably not be able to offer this one due to the opening of the Fort being delayed. The Millennium Forest, Airport Tour, Sandy Bay Tour, also including visit to SHAPE Centre. These three tours have been?ed to offer the QM2, however at most they only offer an additional hundred tours. Solomons Shipping Agency also indicated that four hundred island tours have been sold to the QM2 and a similar number to the Aurora.

Going to have a ...?.. Fair entertainment. Plans are in hand to organise a cruise ship Fair in the lower town area, either on the Grand Parade, the Mule Yard or the Wharf. It is also planned to have a musical entertainment from local schoolchildren for the QM2 and also the Aurora.

Traffic management. In order to control the traffic on the roads and along the main tour routes, there are plans to operate an event day management traffic control programme. This is being supported by the Police Department who will also be responsible for implementing it and this is to control the flow of traffic along the tour routes to avoid traffic congestion in major hotspots, such as the Tomb and along Sandy Bay Ridges. There will also be additional Police around the town to control the traffic. The following visitor's attractions will be open during this visit: The Museum, St. Helena Distillery, Longwood House, Napoleon's Tomb, Plantation House, Prince's Lodge and visitors will also be able to walk up Jacob's Ladder and can buy a certificate of achievement from the Museum. The Museum will also host a special exhibition on Slavery on St. Helena, which is being opened on the day that the QM2 visits and will be exhibited for future cruise ships.

Local taxis and tour operators will have reserved parks on the seafront to offer their services for the day. This will enable visitors to have easy access to their services.

Eating places, open as usual.

If I am asked what is my worry with the QM2 I would say eating places, because we all know how limited we are for eating places. I hope the ship has been informed about that too.

Signage. Additional signage will be put in place to direct visitors to places of interest and around Jamestown. This will also include toilets and other facilities. In order to cope with the numbers of visitors during the QM2 visit, additional facilities are being sought, talks are ongoing with businesses, SHG Departments, in the lower town area to make their facilities available. Thank you, Madam Speaker.

The Speaker –

Thank you, Madam Chairman. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Thank you, Madam Speaker. Can I ask the Honourable Chairman, with the arrival of the Queen Mary with over three thousand passengers, do we have enough taxis to ensure that all those who want to go on island tours may do so?

The Speaker –
Honourable Chairman?

The Hon. Bernice Olsson –
Madam Speaker, I don't think we have, but I think the Honourable Chief Sec can enlighten the Honourable Members of what is happening, because I know there was a problem of not having enough taxis, so maybe the Chief Sec can enlighten what is happening. I believe, am I right, that we going to be using the school buses and we are closing the schools for the day, I believe and if the Chief Sec would like to confirm that.

The Speaker –
Honourable Chief Secretary?

The Hon. Andrew Wells –
Thank you, Madam Speaker. This problem was brought to my attention following the meeting last Friday of this Council. We cannot, unfortunately, create additional taxis in the short space of time available, but the buses that are normally used to transport schoolchildren, will, as the Honourable Bernice Olsson has just indicated, be available for passengers coming off the ship with the agreement of the Honourable Tony Green's Committee. We have, as the Honourable Bernice Olsson said, made that particular day, that's the 30th, a holiday for the schools to enable that to happen. Thank you.

The Speaker –
Thank you, Honourable Andrew Wells. Honourable Stedson Francis?

The Hon. Anthony Green –
Madam Speaker, just on a point of information.

The Speaker –
Honourable Tony Green?

The Hon. Anthony Green –
Yes, just to clarify these conversations that's going on. I have, as the Chairman of the Committee, taken the decision on behalf of Committee with my Deputy to try and make sure that we are able, from an educational point of view, to assist what we believe is a major occasion, which is likely to have long-reaching economic effects, so we recognise that the decision to close the schools may not be one that's going to be favoured by everyone, but I think we have to look at the gravity of the situation and it's a no win situation, but I think in the overall priorities that decision was taken and I take full responsibility for it, but I feel that what we have to do is to support what's going to be a very good occasion and something that promises a better economic future for the whole island.

The Speaker –
Thank you, Honourable Tony Green. The Honourable Stedson Francis?

The Hon. Stedson Francis –

Do we know how many passengers are booked on the tours for the island?

The Speaker –

Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Madam Speaker, at the moment there's just over four hundred.

The Speaker –

Next item of business?

Question 3. The Honourable Derek Thomas to ask the Chairman, Health and Social Welfare Committee.

The Hon. Derek Thomas –

Thank you, Madam Speaker. Will the Honourable Chairman, Health and Social Welfare tell this House when the policies relating to Income Related Benefits will be amended?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell, Chairman, Health and Social Welfare Committee.

The Hon. Cyril Gunnell –

Thank you, Madam Speaker; I thank the Honourable Member for his question. The review of Social Welfare benefits currently being undertaken is in two parts. The first part commenced in January and initial findings have been discussed informally with the Health and Social Welfare Committee. Work continues and it is intended that formal recommendations resulting from the review will be available in early April. Subject to the agreement of the Committee to the general direction of those recommendations, it is the intention to then have a wider public debate about the proposals. The second part of the review will commence in August with the intention of developing the Legislative and Administrative requirements to implement any agreed reforms. The second stage is due to be completed before the end of 2010.

The Speaker –

Thank you, Honourable Chairman. Next item of business?

Question 4. The Honourable Rodney Buckley to ask the Honourable Chairman, Civil Society, Tourism and Leisure Committee.

The Hon. Rodney Buckley –

Thank you. Will Government say what components of the Catherine Leech report on tourism are not doable by the St. Helena Government?

The Speaker –

Thank you, Honourable Member. The Honourable Bernice Olsson, Chairman, Civil Society, Tourism and Leisure Committee.

The Hon. Bernice Olsson –

Thank you, Madam Chairman, thank you Honourable Member. Madam Speaker, all of the recommendations in the Tourism Development Plan 2010 – 2015 are doable with supporting resources and relevant stakeholders input. However, we will need to ascertain what is feasible and what isn't within the resources that are available to St. Helena at this time. As this is a five-year plan, the implementation of the agreed components will be phased over this period. The plan also suggests that £2.3m is required to implement the recommended activities over the next five years. As a result of DAPM visit, so far, £1.2m has been approved for the next three years to implement some of the agreed activities Catherine Leech's report. This does not mean that we are not giving consideration to other aspects of Catherine Leech's report. The implementation of components beyond the initial three years will depend on funding available and priorities at that time. Thank you, Madam Speaker.

The Speaker –

Thank you. Next item of business?

Question 5. The Honourable Cyril Gunnell to ask the Honourable Chairman, Natural Resources, Development & Environment Committee.

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. How many reviews of the SHG Land Disposal Policy, including those made involving public consultation, have taken place since it took effect on 1st December 2007?

The Speaker –

Thank you, Honourable Member. The Honourable Raymond Williams, Chairman, Natural Resources, Development & Environment Committee.

The Hon. Raymond Williams –

Thank you, Madam Speaker, thank you Honourable Councillor. The Land Disposal Policy actually came into effect on 12th March 2007 and not 1st December 2007 as stated in the question. Following a further review, the current Land Disposal Policy took effect on January 1st 2008. There has been no subsequent review since primarily because it was suggested that the future review should take account of developments associated with the air access and the likely impact on land prices that might result. However, the two pauses on the progress of air access have delayed that process. Since the introduction of First Residential Land Policy in mid 1980's three reviews have been undertaken prior to the introduction of the Land Disposal Policy in March 2007, but only one has been approved by Governor in Council. No draft LDP has gone out for public consultation, but this could be considered for the current review. For information, all previous pricing policies have been fixed substantially below the market price to varying degrees including the current pricing matrix. A review of the current LDP has begun and will be completed later this year and will take account of a number of issues, including current circumstances, procedures for sale and lease and best practice in relation to asset value recovery. The impending sale of Wranghams will be used as a test case to inform the review. Meanwhile, a start has been made on the review of Land Development Control Plan policies which will explore means of achieving better protection of the island's natural assets and opportunities for further development of non critical areas. The existing planning policies have visibly failed to create good quality of development whilst at the same time being restrictive and therefore limiting overall asset values. There will be a programme of consultation to inform the review and the planning

policy revisions will be progressed alongside the review of Land Disposal Policy. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Chairman. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, thank you to the Member for his answer and he at the same time answered a couple of my, what would have been, supplementary questions, but will the Honourable Raymond Williams give an undertaking that the review be carried out through public consultation?

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

That is proposed, Madam Speaker.

The Speaker –

The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, could I just ask the Honourable Member if he could just elaborate a bit on this Wrangham's test plan, I'm not quite clear what that means? Thank you.

The Speaker –

Honourable Chairman?

The Hon. Raymond Williams –

Madam Speaker, we'd like to inform the House that, the Honourable Speaker, in any case, the Honourable Brian Isaac that Wranghams will be up for sale and we want to explore the price ranges and who would be likely to be eligible to buy this area, this landholding. Thank you.

The Speaker –

Thank you, Honourable Chairman. Honourable Stedson Francis?

The Hon. Stedson Francis –

Can I ask the Honourable Chairman when it is likely that Wranghams will be put on the market, will be available for sale?

The Speaker –

Thank you, Honourable Member.

The Hon. Raymond Williams –

Presumably within the next year, Madam Speaker.

The Speaker –

Thank you, Honourable Raymond Williams. The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. Will the review of the Land Disposal Policy include also the pricing matrix?

The Hon. Raymond Williams –

Yes, it will, Honourable Member.

The Speaker –

The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, is the Honourable Member able to say what the reason was for the increase of the price of Crown land for house building overnight from £500 to £15,000 in the St. Paul's and the Alarm Forest areas and £12,500 an acre in the Half Tree Hollow, New Ground and Longwood areas?

The Speaker –

Honourable Raymond Williams?

The Hon. Raymond Williams –

Sorry, Madam Speaker. The price of land was varied by the Governor in Council at that time.

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Thank you, Madam Speaker. Will the Honourable Member agree that increasing the price of Crown land for house building to the extent that it has been has made it unaffordable for the majority of Saints earning a living on St. Helena and that effectively this has worked against what the policy set out to do?

The Hon. Raymond Williams –

Personally, I do agree and this will be reviewed in the forthcoming months. Thank you, Madam Speaker.

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, on a point of information, I would just like to share my disappointment in connection with the Wrangham's Project. Wranghams over the last ten years was pretty much a stable building and it was in the Land Use Plan for other issues to take place and it is sad to know that it is in such a dilapidated state now that it's going to be sold to the best buyer. We had a breath of fresh air into Bertram's House, again, this one was pretty much in the same state, but just on a point of information, Madam Speaker, I'd just like to share the disappointment and I hope that other future Government buildings do not get into this state before being sold. Thank you.

The Speaker –

Thank you, Honourable Member. Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Can the Chairman say please what is the timeframe for the review and consultation?

The Speaker –

Honourable Chairman?

The Hon. Raymond Williams –

The timeframe for the review, Honourable Member, will be as soon as possible after the Natural Resources, Development & Environment Committee will sit to discuss matters on the same issue.

The Hon. Rodney Buckley –

Thank you.

The Speaker –

Honourable Rodney Buckley you have another question?

The Hon. Rodney Buckley –

Er no, sorry Madam Speaker.

The Speaker –

Next item of business, please?

Question 6. The Honourable Anthony Green to ask the Honourable Chairman, Health and Social Welfare Committee.

The Hon. Anthony Green –

Madam Speaker, is there a written protocol for receiving sick seamen from passing ships on to the island and what precautionary measures are included in the protocol?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell, Chairman, Health and Social Welfare Committee.

The Hon. Cyril Gunnell –

Thank you, Madam Speaker and thanks to the Honourable Anthony Green for his question. The Public Health and Social Services Department has a written port health operating procedure for vessels and ill, injured passengers or crew members. This document contains information on the precautionary measures in place. There is also a written protocol for use when communicable diseases are identified as a threat to the island. In advance of a ship anchoring with an ill or injured passenger or crew member, the Senior Medical Officer communicates with the ship's doctor if one is onboard, or the Captain, seeking such information as what symptoms does the passenger/crewmember have and when did they begin, what treatment has already been given, what drugs have been given, what existing medical conditions does the sick person have and any other relevant information. When an arriving vessel has onboard a person suffering from a contagious disease, the Senior Medical Officer will determine whether or not it is safe to board the ship. The adoption of the International Health Regulations 2005 provides a remarkable tool for the protection of

international public health. State parties efforts will be to prevent, protect against, control and provide a public health response to the international spread of disease. The PHSSD aim to have all systems and procedures in place by the end of this year, this will require an amendment to the Port Health Authority. And, Madam Speaker, whilst I'm standing, perhaps I could also help the Honourable Member and other Members in the House by making it known to them that I have in front of me now actually the PHSSD Port Health Operating Procedures for vessels calling with ill/injured passengers or crew members. It is rather large, quite lengthy, if it will help Members I can make arrangements for them to have copies of it.

The Speaker –

Thank you, Honourable Chairman. Honourable Tony Green?

The Hon. Anthony Green –

I thank my Honourable Friend, Honourable Cyril Gunnell for his very comprehensive reply, but may I just enquire if the protocol does indeed cover the activities and assistance that may have to be provided by, say, boatmen and other persons, medical or otherwise, who may be part of a team that conveys a doctor to a vessel?

The Speaker –

The Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, I just consulted with the Head of Department. The Senior Medical Officer is the first person who actually goes on board and he makes absolutely certain that no-one would actually be on risk if they came onboard and only allows for other people to go aboard if he considers that it is safe to do so.

The Speaker –

Honourable Tony Green?

The Hon. Anthony Green –

Madam Speaker, I thank the Honourable Member, I have no further questions.

The Speaker –

Next item of business?

Question 7. The Honourable Stedson Francis to ask the Honourable Deputy Chairman, Infrastructure and Utilities Committee.

The Hon. Stedson Francis –

Will the Honourable Deputy Brian Isaac, Chairman of Infrastructure and Utilities Committee ensure that the 2006 Road Policy is reviewed and consideration is given to reinstate the road serving residents of the Unity Cottage area, Prince's Lodge area and other qualifying estates, included in the earlier 2004 policy?

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac, Deputy Chairman, Infrastructure and Utilities Committee.

The Hon. Brian Isaac –

Madam Speaker, the undertaking of a review of the Roads Policy has been given earlier in a similar question in this House. Madam Speaker, but I can assure the Honourable Member that consideration can be given to the roads in the above area during the review of the current policy, but the current policy do not provide for such roads. However, a commitment to reinstate the roads as requested in the question cannot be given at this point in time as it would pre-empt the review itself. To further support the Honourable Member, a site visit to the roads in question and other roads with similar concerns will be made by the Infrastructure and Utilities Committee on 25th of this month, which will be Thursday. I understand the Member's frustration in presenting his question and I undertake to give full consideration to his concerns under the proposed review of the current policy.

The Speaker –

Thank you, Honourable Chairman.

The Hon. Brian Isaac –

Thank you, Madam Speaker.

The Speaker –

Honourable Stedson Francis?

The Hon. Stedson Francis –

Is the Honourable Member not aware that the 2004 policy did include provision for those roads to be included on the roads programme and now they're being disadvantaged because it's no longer there?

The Speaker –

Honourable Chairman?

The Hon. Brian Isaac –

Madam Speaker, I am aware of some concerns of the 2004 roads policy in comparison with the current policy, but as I said, I will give an undertaking to look at both policies and to see what is best, that those who have lost out in some form or the other, if I can say so, will not lose out in the future. Thank you, Madam Speaker.

The Speaker –

Next item of business.

Question 8. The Honourable Derek Thomas to ask the Honourable Chief Secretary.

The Hon. Derek Thomas –

Thank you, Madam Speaker. Will the Government make provision to outsource the inspection of Government vehicles to private sector garages in order to support the development of the private sector businesses?

The Speaker –

Thank you, Honourable Member. Before I ask the Honourable Andrew Wells to respond as Chief Secretary, could I just ask before you speak if you could speak up a little bit, I found it very difficult to hear you when you gave your last contribution. Thank you. The Honourable Andrew Wells.

The Hon. Andrew Wells –

Thank you, Madam Speaker and I thank the Honourable Member for his question and I apologise if my last response was not as audible as it should have been. The Executive Council has recently discussed the outsourcing of Government vehicle inspections. It recommended that this matter be considered by the Access and Transport Committee in liaison with the Finance and Economy Committee. I look forward to the outcome of their discussions which will be, of course, the task of the administration to implement promptly.

The Speaker –

Thank you, Honourable Andrew Wells. Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, I thank the Honourable Chief Secretary for his response.

The Speaker –

Next item of business?

Question 9. The Honourable Rodney Buckley to ask the Honourable Attorney General.

The Hon. Rodney Buckley –

Thank you. What is the earliest possible time for the District Judge to be in post?

The Speaker –

Thank you, Honourable Member. The Honourable Ken Baddon, Attorney General.

The Hon. Ken Baddon –

Thank you, Madam Speaker. For the benefit of the listening public, it may be useful if I say something about what a District Judge actually is. It's not a post which exists in St. Helena at the moment. It is the expression used in England to describe a legally qualified and salaried Magistrate and I shall in due course be recommending here that we use the expression Senior Magistrate rather than District Judge, which isn't really suitable to our geography. So far as progress on this matter is concerned, Madam Speaker, my understanding is that the present status is that an informal meeting of this Council gave its blessing in principle during my recent visit to Ascension, so I can't remember the date, that we should move towards appointing a salaried magistrate in St. Helena. Since my return to the island, I have begun work on this and in particular have obtained some information from the Falkland Islands where they have had a Senior Magistrate for many years. I expect to discuss that information and additional material locally in terms of what this person might do to occupy a full working week when the Magistrates Court only sits typically for half a day each week and I expect to discuss those issues with senior colleagues within the next week or so. Only when we have done that will we be able to write the terms of reference and only when we have done that will we be able to advertise the post, but I hope that that process will take no longer than perhaps three or four weeks from today. Once we are able to advertise, Madam Speaker, experience tells us that recruiting from overseas rarely takes less than four months and more typically six months. So the short answer to the direct question, what is the earliest possible time for a District Judge to be in post, is that it probably is the fourth quarter of this year. I might add for completeness, Madam Speaker, that one of the other issues we have to look at is the duration of the appointment and being sure that funding will be available for whatever duration it agrees and that also will feature in the discussions which I shall have with senior colleagues within the next week or so. There will also need to be an amendment to the

Magistrates Court Ordinance to enable this to happen, but, of course, we can be progressing that in parallel with the recruitment process.

The Speaker –

Thank you, the Honourable Ken Baddon. Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Just on a point of information, Madam Speaker, the Executive Council approved a Special Warrant for this post to go ahead, I think the Attorney General might have been off the island at the time, but just as a point of information, Madam Speaker, the Executive Council gave approval on the basis that they were getting worried about the increase of crime on the island and want to do our best to bring that under control.

The Speaker –

Thank you, Honourable Member.

The Hon. Ken Baddon –

.....clarify the position with colleagues after this meeting. It doesn't actually affect the substance of my answer though, the reality is that allowing for recruitment and incidental work, we're talking about the fourth quarter of this year.

The Speaker –

Thank you, Honourable Member.

The Hon. Rodney Buckley –

That's correct, Madam Speaker, I have no further questions, thank you.

The Speaker –

Next item of business?

Question 10. The Honourable Anthony Green to ask the Chairman, Health and Social Welfare Committee.

The Hon. Anthony Green –

Madam Speaker, what plans are there to ensure that there is adequate Government Landlord housing for those who need it?

The Speaker –

Thank you, Honourable Member. The Honourable Cyril Gunnell, Chairman, Health and Social Welfare Committee.

The Hon. Cyril Gunnell –

Thank you, Madam Speaker, I thank the Honourable Member for his question. Whilst housing is the responsibility of the individual, the St. Helena Government does manage and maintain a stock of Government Landlord houses and flats which is rented out to tenants and allocated on a points system under the current St. Helena Housing policy. Under this policy, everyone is encouraged to take responsibility for their own housing, however, those that cannot afford to build their own house or are unable to rent one from the private sector, can register for a Government Landlord house. A social housing review was carried out by the Social Development Planner, which was finalised in 2009. There are currently 173

Government Landlord houses, which is approximately 8% of the total number of habitable dwellings on the island. Government Landlord housing consists of thirty-eight bedsits, that's bachelor flats and one-bedroom houses or flats; seventy two-bedroom houses or flats and sixty-five three-bedroom houses or flats. Records show that since 2000, some thirty houses and flats have been built or created, but overall, the construction of new houses and the conversion of SHG property have not kept up with demand with only six new flats built in financial year 2007/08. At the same time, the cost of renting from the private sector has risen disproportionately. Normally, there are only one or two vacant properties at any one time which only remain vacant for short periods of time before they are reallocated or longer periods of time if major renovation works need to be carried out. When the review was conducted, there were sixty-two people on the waiting list, but to date this has been reduced to fifty-one, slightly over 50% is looking for one-bedroom units. Since the 1980's, SHG policies have supported the availability of affordable owner/occupier homes or rental through low cost home ownership, that's the sale of Government Landlord houses to sitting tenants at a cost below market prices, market rates, the sale of building plots to owner/occupiers at below market rates, the provision of services, electricity, water and sewerage at less than actual cost to SHG and Government Landlord rents at below market rents i.e. rents are not based on cost of replacing the house or flat. The servicing of land for house building is a major issue because the cost is high to put in the infrastructure needed and it is hoped that the funding made available within the infrastructure project will help to address this problem for future development. ESSD had managed to secure land at Half Tree Hollow last year and a survey of the land has just been completed by the Technical Services Section of the PWSD. The next step will be for the Physical Planners to design the number of units this land can absorb and for PWSD to cost the project. The Haven Complex was also handed over to ESSD and plans on the existing layouts of the buildings have now been completed by the private sector and the Department is in the process of the signing the conversion for the buildings into housing units. The top flat has already been converted and made disabled friendly and occupied by a family with a disabled son who had to be relocated. The remaining part of the Complex should accommodate a further eight single units, two two-bedroom units for permanent housing and three emergency units for use by Social Service. This work should be completed within the next financial year. Plans are also in hand to have one semi detached unit built in Longwood on serviced land available to ESSD. Future developments will depend on serviced land becoming available for house building purposes. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Chairman. Honourable Tony Green?

The Hon. Anthony Green –

I thank the Honourable Cyril Gunnell for his very detailed reply again, but just may I ask that since, as I understand it, six units were provided in 2007 to '08 to ask when is it proposed to have what is planned available, when is the next lot of units going to be available for the people on the waiting list?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Just consulted with my Head of Department, Madam Speaker. Any new houses will become available when land becomes available.

The Speaker –
Honourable Rodney Buckley?

The Hon. Rodney Buckley –
Can the Chairman clarify please if Government actually pay for their own land to build their own houses on; you made comment in your statement about Government prices?

The Hon. Cyril Gunnell –
No, Madam Speaker.

The Speaker –
Honourable Rodney Buckley?

The Hon. Rodney Buckley –
Yes, can the Chairman just clarify please the comment he made in his statement about land prices and buildings?

The Hon. Cyril Gunnell –
I understand that the pricing is to do with services, Madam Speaker.

The Speaker –
Honourable Stedson Francis?

The Hon. Stedson Francis –
Can I ask, how does one qualify for a Government Landlord house?

The Speaker –
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –
Madam Speaker, one qualifies for a Government Landlord house when one is not able to afford or build one themselves, and, Madam Speaker, because the cost of land is so high these days and less people are able to afford to build their own homes then obviously the Government Landlord waiting list could become bigger.

The Speaker –
Honourable Stedson Francis?

The Hon. Stedson Francis –
Can I ask, are checks made to ensure that Government Landlord houses are occupied legally?

The Speaker –
Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –
Madam Speaker, I'm not quite certain what the intent of the question was, but I don't know if that is the case at all.

The Speaker –
Honourable Tony Green?

The Hon. Anthony Green –

Madam Speaker, just to ask that when planning to provide Government Landlord housing is any account taken of the area in which their needs are?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, as far as I am aware, as far as possible when people ask for a house in a certain area, everything possible is done to accommodate that request.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Can I ask the Honourable Member, Madam Speaker, how long is it for a person to have a Government Landlord house vacant and not occupied?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, normally it is, well it's circumstances really. If a person goes overseas, then there is a policy where a person can still have tenancy of the house for two years.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Can I ask the Honourable Member if, seeing that there's fifty-one people waiting on the list for houses, is that best value?

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, it may or may not be best value depending on how you look at it. When people go overseas they sometimes go to better themselves in St Helena and if they went to Ascension, for example, to try and get some money to build a house, you have to allow them a chance of being able to come back and live in the house. After all, eventually the house will be vacant for somebody else.

The Speaker –

Next item of business.

Question 11. The Honourable Rodney Buckley to ask the Honourable Deputy Chairman, Infrastructure and Utilities Committee.

The Hon. Rodney Buckley –

Will the Deputy Chairman, Infrastructure and Utilities, tell this Council what is the status of its long-term development plans for roads, water and energy and when will these plans be presented to this Council?

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac, Deputy Chairman, Infrastructure and Utilities Committee.

The Hon. Brian Isaac –

Madam Speaker, the Infrastructure Plan which was developed with the assistance of John Cox and his team, presented the long-term plan for each of Roads, Water and the Energy Section. Information on planned work in these sectors for the period 2010/2013 is available. These projects themselves form part of the Infrastructure Plan. The Infrastructure Plan was endorsed by the previous Council. Madam Speaker, the Department has an operational plan for ongoing works within the Infrastructure Plan, but there is no plan as such other than that plan that is tied up within the Infrastructure Plan, but the Department has their day to day operational plans which they work by. Thank you, Madam Speaker.

The Speaker –

Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Thank you, Madam Speaker. Would the Deputy Chairman agree that the island needs a long-term plan in a proper format?

The Hon. Brian Isaac –

Madam Speaker, I agree with the Honourable Member and that plan is available. That is the Infrastructure Plan to take the island forward and within that Plan is the components that the Public Works and Services Department have to work to towards their operational plan.

The Speaker –

Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Will the Chairman undertake to make that Plan available to Members please?

The Hon. Brian Isaac –

Madam Speaker, I'm not sure if it is protocol for operational plans to be made available to the full Council, but with your permission and I'll probably need to speak with the Head of Department if that is possible. If it is possible then I can assure that these plans can be made available, but this plan is the operational departmental plan, but I will seek advice on it. Thank you.

The Speaker –

Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Madam Speaker, we are moving into the twenty-first century and this Council have to approve what is good for this island and what's not good for this island. I'm sure that

Madam Speaker will agree that this Council are entitled to such plans and to agree the operational aspects of such plans.

The Speaker –
Honourable Chairman?

The Hon. Brian Isaac –
Madam Speaker, the Infrastructure Plan can be made available and that is available. The operations from the departmental side I will have to seek advice on that. The advice, can I ask the Attorney General if he can assist, if operational plans are to be made available to the wider Council?

The Speaker –
Honourable Attorney General?

The Hon. Attorney General –
Madam Speaker, it depends, I suppose, on what is in the operational plans. Certainly, operational level matters are not usually shared in Council and Members will be aware that the Council Committees Rules and Procedures set, attempt to set, although there's always a greyer line than a black one, but a line between those matters which are strategic and policy matters for Councillors to look at and those which are purely operational and which are for officials to deal with, reporting to the Chief Secretary to the Governor. So the answer to the question whether this particular document ought to be shared more widely will depend on what it is.

The Speaker –
Thank you, Honourable Attorney General. Honourable Rodney Buckley?

The Hon. Rodney Buckley –
Madam Speaker, my last question on Friday was not correctly answered and Friday I asked for the Programme planning, surely this Council are entitled to Project Planning procedures of any Department if they are to approve finances for such a Department?

The Speaker –
Honourable Chairman?

The Hon. Brian Isaac –
Madam Speaker, I understand that such information is within the Infrastructure Plan, dates, times, deadlines. If the Honourable Member would wish to probably review the Infrastructure Plan and then ask for any details required I'm sure that in some form or the other the Department would be able to provide it. Thank you, Madam Speaker.

The Speaker –
Thank you. Honourable Rodney Buckley?

The Hon. Rodney Buckley –
Thank you, Madam Speaker, I shall do that.

The Speaker –
Thank you. Next item of business?

Question 12. The Honourable Stedson Francis to ask the Honourable Chief Secretary.

The Hon. Stedson Francis –

Will the Honourable Andrew Wells, Chief Secretary, tell this Council how many hire drive vehicles are employed across Government?

The Speaker –

Thank you, Honourable Member. The Honourable Andrew Wells, Chief Secretary?

The Hon. Andrew Wells –

Thank you, Madam Speaker, I thank the Honourable Member for his question. There are eleven hire drive vehicles currently employed across the St. Helena Government.

The Speaker –

Honourable Stedson Francis?

The Hon. Stedson Francis –

Does this mean that the SHG fleet is short by this number?

The Speaker –

Honourable Andrew Wells?

The Hon. Andrew Wells –

There is certainly occasions on which we have insufficient vehicles and have to resort to hire drive although that may not equate to a one on one equivalence, it would depend on the circumstances of the case.

The Speaker –

Honourable Cyril Gunnell?

The Hon. Cyril Gunnell –

Madam Speaker, of the eleven hire drive vehicles that are on hire to Government, how many of them are long term?

The Speaker –

Honourable Andrew Wells?

The Hon. Andrew Wells –

Thank you, Madam Speaker, I thank the Honourable Cyril Gunnell. All of the eleven vehicles were on long term hire during 2009/2010 or for the majority of the year. At one point, I might add, that the Government was using fifteen hire drive vehicles. This number was reduced because of the four replacement landrovers, which, as Honourable Members are aware, were added to the Vehicle Fleet during the course of the year.

The Speaker –

Thank you. Honourable Members, I think it would be, for our own comfort, if we simply took a short adjournment now before we proceed with the next item of business. We will break until five to ten, which is not a coffee break; it is merely a break just to cool down slightly. Thank you.

former Chief Secretary, we have tried one internet-based avenue, but St. Helena's bid was unsuccessful. This was the bid for a call centre to operate from St. Helena. Why were we unsuccessful? Well, we didn't have an airport, that's why. We did have all of the other ingredients necessary.

Let me draw the Honourable Member's attention to paragraph 3 of the Budget Speech. He said that we should not just wait for the airport decision, but we need to find a way to make progress right now. This was a main theme throughout his Speech, which I fully support.

As a Member of the Citizen Commission representing a voice for ordinary people, the Honourable Financial Secretary might like to know that such a proposal was put forward as far back as November 2005. The Citizenship Commission was invited to meet with Legislative Council in informal session early in November that year to discuss the need to have an overarching bridging strategy and planned to take the island from its then social and economic position to one based on air access and tourism to take into account the basic needs of islanders; housing being one example. The Commission felt that how we manage the transition would, to a large extent, determine the success of having an airport. As a result of that meeting, the Commission Chairman, Stedson George, then a member of Council, on 14th November at a formal session of Legislative Council put forward the following Motion: "That this House requests that St. Helena Government put in place a bridging strategy and plan to take the island from its economic situation to anticipated improvements stemming from air access, taking account of the need to upgrade infrastructure particularly to cater for housing demands for islanders". The Motion was given unanimous support. I would like to suggest to Honourable Members that had action been taken on this Motion at the time the island would have been further developed than it is now and we would not wait more than four years later to have to propose such a strategy. However, Honourable Members, I would like to think that although an overall bridging strategy was not achieved, the Motion has contributed to the focus on improving the infrastructure that we are seeing taking place today. Honourable Members, this should bring home the importance of St. Helena Government taking forward Motions agreed by Legislative Council or suffer the consequences. Unfortunately, that in the end means it ends up with people losing out.

I note that we are now paying 22% more in pounds for South African goods today than we were twelve months ago. I wonder why then it is contemplated that the RMS St. Helena should discontinue visits to the UK where the goods are cheaper, and, more importantly to some people, the quality is better.

Turning to Government expenditure for the year 2009/2010, this is budgeted to reach £34m with £23.5m in recurrent expenditure which is the day to day cost of running government. Everything is costing more these days and each year the budget increases.

But you may ask, what is Government doing to cut down on some of its costs. The public is always pointing out that money is being wasted in many areas and who can say that their assessment is wrong. Are they wrong, Honourable Members? I don't think so. Look at Government transport, for example. There are vehicles running this way and that way, sometimes occupied by only one person and seen at times in some curious places. Is it not obvious to all that this is one area where savings can be made? I understand they are thinking of importing second-hand spares. Have we now reached the bottom of the barrel? The way to save money on transport is to use it wisely, share vehicles etc, isn't it? And what about the many tonnes of paper that is used each year throughout Government? If St. Helena were to manufacture its own paper, there would not be sufficient trees on the island to keep up with Government demand. The Honourable Financial Secretary says he intends to keep a tight rein on unnecessary spending; this is no more than the public expects.

Honourable Members, at long last, Government has decided to do something about pensions. This, in my estimation, is mostly because SHG can no longer afford to pay for pensions from

the Consolidated Fund. Remember, no money is put aside for this. The burden of paying for Government pensions has always fallen on the shoulders of taxpayers and a great many of them do not have a pension of their own. From 1st April, new starters with SHG will join a new funded Pension Scheme and eventually a contributed pension scheme will be available for all. If this had started, say, twenty years ago, and we actually started asking for this to happen thirty years ago, Government would not be in the position it is with regard to pensions now. Why is it that no one listens to ideas put forward by Saints? It has to come from abroad before it is seen as an idea worth pursuing. Is it any wonder that Saints just give up.

The island is, indeed, grateful to DfID for its budget allocation for 2010/11 and it is to be hoped that they will not be required following comprehensive spending review given the fragile condition of the UK's accounts, to adjust for the years 2011/12 and 2012/13, but the allocation from DfID for 2010/11 is not sufficient to cover the total cost of running Government. St. Helena is required to offset the difference from its own revenue sources. This amounts to a massive £9.1m. How will this be collected? Well, much of it will come from income taxes, Customs duties and wharfage and Government fees and charges. This will include 2% in electricity and 5% for water where they say Standing Charges have not raised for two years. I mention these two in particular because as we all know people on low incomes are having difficulty paying the existing Standing Charges rates which are £20.00 for electricity and £10.00 for water in a quarter. There have been numerous complaints about this. People are not objecting to paying as such, but because they have difficulty putting aside £30.00 a quarter they are asking that the policy be reviewed with a view to collecting revenue from Standing Charges by a fairer method whereby those who can afford to pay should pay more and those who cannot afford to pay should pay less. After all, this is not electricity consumption we are talking about, this money I understand is for maintenance; payment for consumption is additional. People cannot understand why, if the total Standing Charges revenue is to be collected for maintenance, the poor and the rich have to pay the same amount.

As you know, I tried on Friday to get PW&SD to review their policy so that revenue collected from Standing Charges does not impact adversely on the vulnerable; they would have none of it, but it does not mean that I will give up.

The Honourable Financial Secretary said that this year's Budget makes provisions for increases in SHG wages, SHG pensions and IRB benefits. This will be an increase of 4% from 1st April. He said this will lift spending power and provide a helpful boost to the local economy. Let's examine this and see what it means in actual fact. We all know that 4% on the income of the lower paid will mean that they will get less in real terms as it increases than the higher paid. Very likely this will amount to prices in the shops quickly absorbing all of their pay increase. The situation will be the same with SHG pensions. Some people have very low pensions and have to be topped up by IRB benefit. This is because these people retired from Government years ago and their final wage at the time was small. Then there are the pensions paid out these days where SHG pensions compare very favourably with UK State pension. Once again, the 4% means that the more you receive as a pension, the bigger the increase will be in real terms. And then we come to the IRB recipients, who, among the lowest paid, will receive the lowest increase. A 4% increase to them means an extra £1.60 a week for single people and £2.40 for a couple. How will this boost spending power, Honourable Financial Secretary? That is the way increases in SHG salaries and wages have been made for years resulting in the ever increasing gap in income between the lower paid and the higher paid. Perhaps this is a good time to mention another quote, this time from the Bible. Matthew said "Those who have will be given more and those who don't even the little

they do have will be taken away”. Of course Matthew was talking in biblical terms but he was a smart man. If he were alive today he would be able to say “I told you so”.

The income tax changes are very welcome, but I am disappointed that there is no improvement in the allowance of £80 for the third child. I have asked that this be reviewed with a view to the amount being increased. We have been given an assurance that this can take place next year.

There will be some disappointment once again to some that increases to raise revenue have been placed on duties on alcohol and tobacco; this commenced on Friday. However, we are relieved to hear that there are no other changes to Customs and Excise duties or on wharfage.

In conclusion, Madam Speaker and Honourable Members, I would like to congratulate the Honourable Financial Secretary on his first Budget Speech and the way he goes about his business. He does listen and carefully consider what is being said; this is usually a good sign.

As far as the Budget is concerned, it pretty much is down to Committees as to how spending is managed. Will I support the Budget as it stands? I would like very much not to. Why?

Because the lower income bracket people, in my opinion, are not getting a fair deal when it comes to distribution of wealth. However, there is the overall picture to consider and under the new Constitution Councillors do have the power to make changes to the way funds are allocated.

I am hoping the way the pay grading review will mean that people will be a lot better off. And SHG seems to have gone statistics mad all of a sudden and everything is evidence based. With this in mind, I offer my last

.....you want to with statistics, it all depends what it is you want to achieve. Something for us all to bear in mind, Madam Speaker. Thank you very much.

The Speaker –

Thank you, Honourable Member. The Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I would wish to thank the Financial Secretary for the presentation of his Budget Speech here on Friday. It now means that difficult decisions has to be made or other strategic directions must be found. The Honourable Financial Secretary mentioned in his opening speech the frustration of the airport pause, which we all falls victim to. That is not only the frustration for St. Helena. The wharf improvement for safe landing has also caused frustration. When DfID withdraw their financial support to improve safe landing at the wharf the public felt this was a move in the wrong direction, especially when DfID confirmed their commitment to financially support the proposed cargo handling facility in Ruperts in view of future air access. Once again, we are put in this predicament by the British Government. I often wonder where we would have been if the British Government had accepted the SHELCO proposal. We’ve also been told by DfID that even if the pause is lifted and we get the okay, it will be another five years before we actually see any airport activity. The British Government has now tried to move the attention of air access to sea access by rescheduling the RMS to encourage more tourism to the island. DfID said it will underwrite any deficit within the subsidy for the first year. What happens if the proposal does not deliver? Why is it so easy for DfID to move the goalposts once again? DfID is recommending a year to have everything up and running. It has been over twenty years that ODA at the time, enforced the embargo on the RMS that the only means of cargo delivery to the island would be via the RMS. It took only the visit from a senior DfID official to visit the island for three days and look at the embargo. I’ve raised the concerns that this important proposal must have public consultation. The airport public consultation was even given the support of an independent consultant; will we be given the same level of independent consultancy? I guess it’s true that he who pays the fiddler calls the tunes. The Financial Secretary also said that despite the

prolonged recession in the UK, the USA and other major economies, the recession has not yet had a dramatic impact on St. Helena, which I do not agree with that statement as we have to import most of what we need and we pay the global world prices, plus the heavy freight charges and Customs duty which rates St. Helena as one of the most expensive places to live. The rate of the pound against the South African rand is weakening and yet DfID is imposing that we do less business with Britain by not having any northbound voyages by the RMS and focus our business with South Africa which means we'll have to pay more.

Mentions were made of oil prices, but again, if we cannot improve our fuel storage capacity we will continue to see a decline in moving St. Helena economically forward.

The Financial Secretary also said, for the second time, that the difficult economic conditions that prevail elsewhere, St. Helena is weathering the storm better than most places. Yes, that might be right from a statistical point of view, but in reality there is a balance to be struck

I agree we as a Government must improve the efficiency and effectiveness of Government and provide a better environment in which the private sector can develop, but in our current economic climate we must be careful when we privatise or outsource services, that we do not set monopolies within the system.

The Financial Secretary also mentioned the constant stream of requests from the Departments, public citizens and civil societies. That might be the case, but I would like to reassure the Financial Secretary that many civil societies saves Government many thousands of pounds each year and as a member of the St. Helena Disabled Persons Aid Society I am aware of the financial costs involved to provide that service to the less fortunate on the island. If Britain wants St. Helena to stand on its own two feet and wean itself off grant in aid then Britain needs to take its commitment to St. Helena much more serious as agreed in the '99 White Paper. DfID would not agree, but I think it's fair to say that we are being constantly micro-managed from London; secondly, we are not given the adequate aid to get out of the financial decline we are in; and, thirdly, we are not able to develop in the way we would like to support the economy growth. A prime example is the Wharf Improvement Project versus the new proposed safety landing at Ruperts. DfID tells us what they feel the financial support for the island should be and we take what we get. As long as Britain maintains that attitude there is little hope for St. Helena to achieve a better standard of living for our people. I agree that DfID has been generous in some lines within the Budget, but again, St. Helena has been pressurised to reform and perform. Yes, we are aware that the Public Finance are set to undergo a comprehensive spending review during the next year and we will be asked to adjust our financial plans for 2011/2012 and 2013. What an impact this could have for St. Helena if we were to make financial cuts? We are barely kept afloat with the aid we receive and any major setbacks will only put pressure on local revenue income, which again would have an adverse effect on the vulnerable. The additional funding to cover the new initiatives will create benefits for St. Helena, but alongside of that will come the increase in utilities. It is planned in 2010/2011 to raise local revenue on some of the main services as electricity, medical, medical prescriptions, rent, drainage and water Standing Charge. It is easy to make calculations using statistics when there is a shortfall, but before we so make such easy changes we must first look at where Departments savings can be made as there is a lot of wastage within Government and we should not always expect the public to cough up. As Deputy Chairman for the Infrastructure and Utilities, I will endeavour to explore these possibilities before any decisions are made. The provision to increase SHG wages, pensions and IRB is welcomed, but we must be careful that we do not put people on low pensions and income related benefits into deeper financial difficulty as some people are on the borderline and these increases, without making careful consideration, could put the vulnerable at risk. The tax proposal will offer some benefits and is welcomed, but we must move away from each budget session to make increases and I agree we need to consider plans for more far

reaching reforms of the tax system. We must, as a Government, look more deeply how things are done and tighten up on wastage and those in authority must be called to account when negligence is found to be their neglect. The public is constantly speaking of wastage of resources in Government, so how come it is that Government cannot identify such poor management.

Raising the duty on alcohol and tobacco is the commonest most way of raising revenue, but we should not so easily use that method for recovering revenue as it will support revenue in one way and create social problems in the other way. Only last week there was a burglary where a quantity was stolen. This sort of problem will impact on the community if the burglars are not convicted.

Madam Speaker, I am aware that this budget is only for the first year, 2010/2011 and further negotiations will have to be taken between SHG and DfID for the next two years and this is very unstable at this time. I can support the budget as there is a lot of benefit for St. Helena, but we must be careful how we implement recommendation and increased charges and balance the budget. This will be a big challenge for Government, portfolio holders and committee members, which will require working together for a united St. Helena. Madam Speaker, I support the Budget, I beg to move.

The Speaker –

Thank you. Honourable Derek Thomas?

The Hon. Derek Thomas –

Thank you, Madam Speaker. In response to the Honourable Financial Secretary's Budget Speech, in his opening introduction he highlighted the issue of the continued frustration placed upon the people on the continued airport pause, a real setback to us all, especially those who have invested their savings, and in some cases, took out back loans investing in businesses having been promised an airport. With the serious global financial difficulties, we cannot be sure of a positive outcome. The Financial Secretary is correct in saying we must find a way now to make progress to develop the economy. Our only hope, in trying to achieve this in the near future, is to make best use of the RMS to increase tourism and open fresh opportunities for merchants; cheaper food and building materials etc. DfID has supported the initiative of rescheduling the RMS to accommodate these requirements and we should take full advantage of this opportunity. We know that sterling has weakened substantially against the South African rand. With most of our goods being imported from South Africa, it is getting more and more expensive. We need to at least explore another major port. The rescheduling should look at other places, like Recife in Brazil. Passenger intake might be greater and the price of foods might be cheaper.

Turning to the details of the budget for 2010/2011, the additional funding of some new initiatives will see growth in support of the development of our three overarching strategic goals; improvements in our infrastructure, electricity, water, roads and drainage; renovation of clinic sheltered accommodation, new sea rescue craft, maintenance of playgrounds, agricultural land clearance to develop our farming industry; enhanced broadband with the provision to support distance learning and additional funding for scholarships. This must be linked with skills relevant to the needs and requirements of the island. New Fuel Farm, which will assist in our long-term fuel costs. In addition to 4% pay increase, the sum of £465,000 made available to implement the pay and grading review for SHG staff where pay increase will be linked to performance. £400,000 for tourism and in addition to a Tourism Adviser and marketing, funding will be available to develop the environment. It is encouraging to see £45,000 funding made available to fund a new pension scheme and as from 1st April all new employees to SHG will join this new scheme. I understand the target

of the Pension Task Force is to have an islandwide pension scheme in two or three year's time, another positive step in leading to a sustainable and vibrant economy.

Government has made a significant commitment to the Public Sector Modernisation Programme where vision has been established underpinning three overarching strategic goals supported by strategic objectives. It is responsibility of the eight committee portfolio holders to introduce policies in support of these objectives and the Departments to engage in activities which will support the objectives. Since our success will be based on these principles and in order to achieve efficiency, there will be the need to change and have a greater level of flexibility in sharing resources within the Government Service. There is one Government fighting to achieve the same mission.

It is accepted that the island is expected to contribute towards the cost of running Government through revenue generating activities. Against this, DfID will be mindful of their responsibilities to the territories in providing its people with a reasonable standard of living. Over the years it has been so easy to raise revenue across the board without thinking or realising the consequences it will have on the vulnerable and poorest of our people. In the Financial Secretary's opening introduction he made mention of the world's serious problems of rising unemployment and growing budget deficits and in comparison St. Helena hasn't had too many worries over the past years. I wonder if the Financial Secretary is aware that many people deprive themselves of a cooked meal at night in struggling to pay what is a huge cost to many people, the high Standing Charges of electricity and water. In some cases, in order to avoid using electricity, people use candles. This is a dangerous practice and in this day and age should not be the case. There are many cases of relative poverty on this island. I agree we need to present a balanced budget; I am in support of that. I am also in support of doing the best we can to help ourselves in raising revenue, but I'm mindful that when we try to raise revenue in areas that are absolutely essential to everyone, we must address the financial difficulty it imposes on the vulnerable and poorest people on the island. From the new financial year, it is proposed to increase electricity by 2%. I understand this will generate extra revenue of £63,000. Increase water by 5%, extra revenue of £14,000 and introduce a new Standing Drainage Charge of £20.00 to those persons connected to the main sewage, extra revenue of £60,000. Total increase in revenue in these three areas - £137,000. To most people, Standing Charge will amount to £50, leaving out the unit costs of electricity and water. It doesn't take a rocket scientist to figure out that some people do not earn this income, let alone what they will have left for their food. The Financial Secretary said that there will be a 4% Cost of Living adjustment on SHG pensions and Income Related Benefits giving a rise of £83.00 per year for single people on Income Related Benefits who earn £40.00 a week, a rise of £1.60, total will be £41.60 and £124.00 a year for couples who earn £60.00 a week, an increase of £2.40, total income £62.40. We must remember that there's a lot of people in the community who don't have any other form of income and solely depend on this amount of money. Low income pensioners and people who are low wage earners will be in a similar situation. Prices on basic foods have nearly doubled in the past two years. On the basis of this, Madam Speaker, I will not support the proposed increases on electricity, water and the new Standing Charge of Drainage as it stands at this time. We have on island a Social Adviser, Alan Thompson, who is currently conducting a review on the Income Related Benefits system and we've heard from the Honourable Cyril Gunnell that his recommendations were not likely to be implemented until next financial year 2011/2012. Madam Speaker, I will encourage the Government to seriously look at efficiency savings, which will not necessitate increase in the areas that I have mentioned, electricity, water and drainage. In that way, we can still have a balanced budget and not inflict hardship on the island's poorest people.

Madam Speaker, I'm also aware that in the interim £150,000 has been made available to support those on Income Related Benefits. It is not only those on Income Related Benefits we're looking at. We're looking at low wage earners and people who are on low pensions that they're also in similar situations. Again, a decision will have to be taken as to how this money will be spent in the coming financial year and until, I will emphasise, Madam Speaker, until this is properly looked at I will not support any increases on electricity, drainage and water. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Does any other Honourable Member wish to speak? The Honourable John Cranfield?

The Hon. John Cranfield –

Thank you, Madam Speaker. Madam Speaker, I agree with the Honourable Financial Secretary when he said this budget is about how we should spend our money to develop the economy of St. Helena, but I don't agree that we should always be comparing St. Helena with the rest of the world. St. Helena is unique, Madam Speaker, the economic conditions facing the island are not easy and until the powers that be realise that unless they are prepared to continue to increase its investment in the island's infrastructure to encourage inward investors, then we will continue to carry on with the business as usual. We are doing the best we can with the resources we have, but we need that extra help financially. At the current rate of aid, I foresee that we will continue to be dependent on UK for assistance. I agree that the island has geared its hopes on the prospect of the UK funding an airport. This is evident in the private sector by investing in the construction of extra accommodation geared for tourism. However, in the absence of air access, every effort must be made to attract more people to the island by sea or our economy will continue to decline. This can only be achieved with the construction of a breakwater or safe landing. DfID is providing funds for a Tourism Development Programme in order to strengthen the marketing of both the island and the RMS and improve facilities for tourists. It is essential that SHG continues to work closely with relevant bodies in order to develop policies that will deliver an increase in visitor numbers and make it easier for people to do business on St. Helena. The island badly needs any increased revenue that this will bring.

Madam Speaker, the Honourable Financial Secretary said that despite the prolonged recession in the UK this has not yet had a dramatic impact on St. Helena. I beg to differ with that statement, Madam Speaker, because we all know that the recession in the UK is the very reason given by DfID for the pause on the proposed development of an airport on St. Helena. In effect, this has had a huge impact on our economy and the private sector.

I agree that the rate of exchange on our currency is a cause for concern for those who purchase goods from South Africa. With the impending World Cup in South Africa, the situation's going to get worse. We are already experiencing the effects of increased prices.

The Honourable Financial Secretary also mentioned diesel and petrol. These two important and vital commodities are heavily dependent on the exchange rate and the rise in crude oil prices. I fully appreciate that it is costly to import fuel in such small quantities and that there is no incentive for shipping agents to deliver fuel to St. Helena, but have we explored every option for the procurement and delivery of our fuel?

Employment on St. Helena is low, because Saints have taken up offshore employment. I do appreciate also that efforts have been made to encourage Saints to return to the island, but the incentives on offer are still far too low. Perhaps further study of retention and attraction policies should be carried out to address this important issue.

With regard to review of Government activities, I believe there is scope for Government to use its resources more efficiently and effectively to ensure economic growth and to develop and sustain the private sector. SHG should have in place a programme of measures designed to improve efficiency of Government and strengthen the private sector. I will look forward with great interest to the anticipated changes within the Public Sector with Government's commitment to the Public Sector Modernisation Programme, the Strategic Development Plan and the top ten policy priorities.

The Public Service pay and grading, which is intended to deliver greater flexibility and mobility of labour between Departments is another cause for concern. The Honourable Financial Secretary said that there has been a major exercise carried out to evaluate every Government job and grade it according to a common set of criteria and that the end result will be a fairer pay scheme. I ask, Madam Speaker, is this the case? Is the criteria used fit for purpose? With so much unrest in the Public Sector regarding pay and grading, I would respectfully suggest, no, it isn't.

The Pension Reform is to be welcomed as this will take the burden off the taxpayers. It is also pleasing to see that the Welfare System is being revamped. I hope this will be looked at realistically and targeted towards the vulnerable.

It is also pleasing to see that DfID has agreed increases in grant in aid, shipping subsidy and development aid for the period 2010/11. We must now be seen to be spending that money wisely and demonstrate our commitment to reform and performance. We must prove to DfID that we are serious and that we mean business. We can only hope that the comprehensive spending and the uncertainty of a General Election in the UK will not have an adverse effect on our already fragile economy.

The additional funding to cover a range of new initiatives is to be welcomed. Funding for pensions and rockfall protection work in Jamestown are fundamentally vital.

I also welcome the new Income Tax Ordinance. The increase in personal allowances will at least leave us with some extra money in our pockets at the end of the tax year. The businesses should also gain from the new Ordinance as they will become eligible for a depreciation deduction resulting in increase profitability.

In conclusion, Madam Speaker, I will urge all Accounting Officers to be vigilant in the handling of their financial affairs. Being lackadaisical is certainly not an option. DfID has given us this money, but not without a price. They are expecting to see timely performance results against money spent on projects. There is a very high expectation on SHG to deliver and your performance will reflect heavily on the ensuing two-year budgetary aid package. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Tony Green?

The Hon. Anthony Green –

Thank you, Madam Speaker. Put simply, the Honourable Financial Secretary's Budget Speech was generally good. We heard about the money that's becoming available for many good things; a new rescue craft, playground maintenance and agriculture clearance. Also much welcomed are the improvements to electricity, roads, water, waste water and drainage, extra money for scholarships and distance learning, funding for pensions, further rockfall protection and pay and grading. How this pay and grading is implemented is going to be so important.

Last year, because we were waiting on the airport decision, it was an interim budget. Good to hear that this is a progress budget. Yes, I think we need to move on. But I'm sure that in addition to the compliments, the Honourable Financial Secretary will welcome other

comments since its only through a rich, interaction that real progress is going to be made. The economy was mentioned, the impact of exchange rates and the oil price were given as two external economic factors. I'm not sure what we can do about the exchange rates, but for years everybody has been saying that a bigger BFI would be of immense benefit. The politics surrounding the airport have made this complicated, but simply, we just need a bigger BFI, so it was good to hear that there's money for airport-related infrastructure, such as a fuel farm, which it was rightly said, is needed anyway.

The FS mentioned tourism as offering a way forward to bring in more revenue. I totally agree. Recently, Sue Wardell, DfID Director for Overseas Territories, suggested a radical move towards giving this a kickstart. Some comments I've heard since are about why it won't work rather than, let's try to make it work, particularly as DfID is prepared to underwrite the loss of freight revenue for at least one year. We are often negative towards change, yet we grumble that we are not going forward.

Internet-based services were also mentioned as another source of revenue. Yes, this has been talked about in the past, but it is perhaps a virtual non-starter without an airport. Parts and expertise would need to be brought in quickly and the people element would not be able to spend minimum time here without an airport, so the lack of an airport is seriously hampering potential growth.

Coffee growing and fishing were mentioned as industries that could provide an export-led development. Ironically though, I've heard it said that successful coffee production has come mainly from those who use their own resources and did not get assistance. If that is true, then providing support for these types of ventures in the future has to be administered with better planning, better management and better monitoring.

To exploit the sea are we planning for a bigger boat or instead are we simply encouraging local, inshore fishing? Sometimes in trying to do both we end up by not truly being successful at anything.

The Budget Speech pointed out that the resident population remained steady over the past year. That too may be true, but many people during that year moved into the over sixty bracket. Bear in mind that the baby boom group have or are now becoming part of that post-retirement population. Okay, I declare my interest.

Mention was also made in the Budget Speech that our economic and demographic base has not declined in spite of international recession. The base number may have remained static, but the portion of the working population below the age of sixty has to be dwindling, so I would question the suggestion that the economic base has not declined.

It's interesting to bear in mind that this coming financial year will see the island aim to raise £9.1m in revenue and in doing that we take notice that we have a population stabilising around 4,000, that more and more of this number are moving into the sixty and over bracket and there being at the moment only limited income from tourism. Then it's quite an ambitious target to raise an extra £2m in revenue for 2010/11.

A very pertinent point was mentioned by the Honourable Financial Secretary. This was that increasing charges is not going to be popular, but necessary to run utilities in a businesslike manner. I fully agree with the principle, but there also has to be a major effort to cut back on overheads rather than ignoring this factor and just asking to raise more and more revenue.

Moving on, the Financial Secretary said that so far St. Helena has escaped the serious problems of rising unemployment, growing budget deficit and a shrinking output. Good points, but we don't have rising unemployment because many of our working population has left, no growing budget deficit because we can't fill posts and therefore we can't do the work and consequently we save money. So two favourable points on the face of it may well be the source of our fundamental problems.

In speaking about financial outturn and the February surplus of £1.1m, which the FS mentioned, he said, the underlying result is in reality closer to zero as most of that surplus is already committed to repair work on the RMS. A pedantic point maybe, but perhaps it could be clarified that it's been the upfront DfID payment for the RMS refurbishment that created the surplus rather than any budget surplus which may have materialised being used for the RMS refurbishment.

I was also interested in the quotations that he made in his Budget Speech. The most graphic was about the art of taxation being about plucking the goose to obtain the largest amount of feathers with the least amount of hissing. How very true. However, we need to make sure that no favoured part of the goose, that's the entire taxable population, is left untouched. The extra tax allowances and the raising of the ceiling before tax becomes payable are welcome.

I turn now to the format of the Estimates, which was mentioned in the Budget Speech and about the PSMP being given credit for advising on a format so that it shows not only what money is spent on but why it is being spent. It's a pity that no-one listened to the Councillor's plea last year for the format to show expenditure by Head, Section, Subsection and Line item. You could say that someone thinks that this type of format is not necessary, but we also know that the Finance Department produces such a document anyway, then it must be a useful tool.

But to the bigger picture. In summary, a very good Budget Speech, I think. We have a lot of money to spend within the public and private sector; we surely have the skills needed. So basic inputs exist, but do we have the transformation process to deliver the outputs. What a challenge. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Stedson Francis?

The Hon. Stedson Francis –

Madam Speaker, the Honourable Financial Secretary's Speech cannot be described as one which will put an end to all our problems, but I think he has prepared his Budget Address with more than a glimmer of hope. We hope to have a budget this year of £26.m and although yet to be confirmed, £89m over the next three years as provided for in the Aide Memoire. Shipping Subsidy has increased from £2.9m to £3.9m, domestic revenue from £8.7m to £9.1m, which will be what we will be expected to find and grant in aid increased from £9.5m to £12.6m. Development funding has also increased from £4.1m to £12.6m. Madam Speaker, I do acknowledge the substantial increase in this year's budget and that I believe it is now up to us to see that these funds are spent effectively and timely for the purposes intended for the benefit of this island. It comes as no surprise that the Financial Secretary would announce some increases in his Budget Speech like 2% in electricity, medical and prescription fees and an increase of £1.00 per week for Government Landlord rents and 5% for coloured water in some places. Madam Speaker, it might be okay for us to be able to afford these increases, you could say we are being subsidised but what about those on IRB and the lower paid, could they not be helped in any way?

The DAPM Team of 2007/08 came with a strong message, that in view of the decline in the economic growth and rising budgets and aid settlements over previous years had not resulted in significant growth and because business as usual had not delivered the expected benefits a new deal would be agreed between DfID and SHG. This new deal included reducing the size of the Public Sector, which is hoped to release funds for activities to allow this economic growth. Progress was met by frontloading of capital funding for infrastructure and other measures included outsourcing, employment law, pensions, tax reform and monopolies. Can I ask, where are we now with monopolies? Madam Speaker, part of that new deal was the

commitment to cost recovery, but that was linked to air access. If we do progress towards this, we have to ensure that there is a safety net in place for the vulnerable, meaning that those who can afford to pay will pay, but the vulnerable would need to be helped. As a result of progress with the FLITS our first tranche of frontloading money was approved last Budget session - £1.56m for this current financial year. Now there's only nine days left in this financial year, maybe the Financial Secretary would inform this House as to how much has been spent. It was also a part of the Aide Memoire that we are to get a further £2.456 for infrastructure projects. Can I ask, when are we going to see some movement on this and do we have enough resources and what are the first projects to be tackled? I would like to say that it is refreshing to see that what we have been saying for many years has come to pass – pay now to save later. New initiatives from this funding included money for scholarships, enhanced broadband facilities to assist with more distance learning opportunities, improvements to water, roads and electricity and quite importantly, as we've been told on Friday, a new Bulk Fuel Farm. Can I ask, when is this likely to start?

Lastly, Madam Speaker, I would like to thank the Financial Secretary and all who have contributed to the preparation of this budget, and, in particular, I would like to wish Mr Desmond Wade, Chief Finance Officer, a well earned, long and happy retirement and for his invaluable advice and hard work over the years. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. I think, Honourable Members, we will adjourn for a coffee break at this point. I have the Honourable Rodney Buckley and the Honourable Raymond Williams noted as the next speakers to this debate. We will adjourn until five past eleven, by this clock.

Council adjourned.

Council resumed.

The Speaker –

Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Madam Speaker, Honourable Members. I hope I don't get shot after I deliver what I have knocked together. In the Financial Secretary's inaugural speech he used the quote by the famous Frenchman "the art of taxation consists in so plucking the goose as to obtain the largest amount of feathers with the least amount of hissing". Good quote, if it is used correctly. If the quote was intended to be used in the direction of collecting revenue from services provided by Government, then the Financial Secretary is not likely to have an easy ride, because the flock is moulting and if he pluck anymore feathers he will kill the hissing altogether. If it was intended to be used in the direction of both public and private sectors, then, yes, I will agree that there are a number of fatties in this area. In the case of the public sector, plucking must be done; in the case of the private sector, some plucking can be done, so I will focus my response to the budget basically around the suggestion of the Honourable Financial Secretary's plucking.

As the Secretary rightly mentioned, the airport pause has caused considerable frustration, but I also hold the view that we should now get on with doing things ourselves and turn this further pause in our favour, using it as a positive. I believe DfID have given us the green light to do much more on our own. We need to start getting shot of a lot of the red tape, we

need to make it easier for the private sector to develop and grow, we need to make it easier for people to come to the island and spend their money. Unless we get new private sector money coming into the island and a considerable reduction in the red tape, any significant growth on the island will consist of only trees and invasive species. And we need to do things now, because if we don't and we do eventually get the green light for airport development, the project will be doomed before it gets halfway through. No private sector business can grow with the constraints that face it in St. Helena; the red tape the island developed over the last fifteen to twenty years has served only to turn this society into being judge and jury of individuals, individuals who try their utmost to move forward, make a better living for themselves and at the same time make a contribution to improving the general standard of living on the island. The Financial Secretary points out that Government are not allowed to borrow money to run the island, but Ms Wardell stated that there is nothing to stop us selling some land to raise funds to fund projects that we wish to do, such as the wharf project. DfID will not put any more money into the wharf safe landing jetty because it is a European-funded project, so why not step out into reality and finish that project that everybody who lives here supports. If we sell four or five of our big houses, we will have money right now. We will save them from falling down and we will get money from them in the future. Why not relocate all the residents of the Ladder Hill Barracks Complex in nice, newly built houses and sell the entire complex for tourism development. It will be worth millions. If the island wants to grow and sustain itself, then that is the sort of decision it needs to make with or without an airport, especially so if there is no airport.

Turning now to plucking. The Financial Secretary proposed, what he called, some small increases in fees next year with rises averaging 2% for electricity, medical and rents, 5% for water and new Standing Charges proposed for drainage. A bit disappointing that the Financial Secretary was not open and advised the public that the Drainage Department proposed Standing Charges at £20.00 per quarter. Another £20.00 for senior citizens now trying to make ends meet on £40.00, for somebody who has lost their spouse and £60.00 per week for a couple. On the reverse side, to be fair, he did speak of the necessity for changes to improve, the need for reform and to perform and he promised to keep a tight rein on spending. So let me be clear, Honourable Members. From my stance as an elected Member, I intend to support this budget and to back the Financial Secretary in all aspects of plucking departmental budgets, because I have no doubt whatsoever that there are loads of feathers that will come off very easily. Legislative Council have been given an undertaking, and, indeed, the new Constitution makes provision that in supporting this budget it will be Council's prerogative to recommend reallocation of departmental expenditure where there is agreement, it is appropriate and considered good governance to do so. Therefore, in Committee stage, the only thing I will agree to is to agree to the overall budget for the department, making any adjustments at this stage will only mean that there would be less money in the overall budget to work with. This budget as it stands gives us the scope to cut expenditure to offset proposed increases in revenue as we see fit. The cutting will come in due course. If we, as collective Councillors are not able to cut departmental expenditure and reallocate expenditure or reallocate expenditure, then there will be no option but to increase services to balance the budget. In the budget lines of departmental submissions there are, in my view, a serious number of non priority expenditure lines. While I accept that the budget was put together based on the Government's strategic priorities, I hold the view that the day to day operating expenses was put together on the basis of business as usual. This Council, like all others who live here, know right well that work output is extremely poor; wastage of transport, energy and materials is evident wherever you turn and the rumours of pilferage of material and abuse of transport for private use are right. The only people who benefit from all this abuse is themselves, whilst the rest of the community ironically, including their own

family, pay the cost through the continuous price increases to collect more revenue to offset the necessary expenditure.....

.....much improved financial controls and reporting throughout the Government and is working hard to have a new accounting system fully operational by 1st April next year. Unless this is done, and the community as a whole come together to assist both Councillors and the Administration in stopping this wastage of taxpayers' money, the cost of Government services will continue to rise and if Government prices keep going up so will prices in the private sector simply because they too have to recover the increased costs.

Turning now, Madam Speaker, to the Financial Secretary's mention of unemployment, welfare system and pay and grading. He records unemployment at 1.7%. This is practice is 21 people. Isn't it seriously wrong for a Government to use taxpayers' money to pay unemployment benefits when there are unskilled jobs being advertised and the island is importing unskilled workers from overseas to fill unskilled jobs? Isn't it also seriously wrong to use taxpayers' money to pay income related benefits to people who can take care of themselves financially by openly demonstrating that they are living quite a high standard of living and a people who are more than capable of working but choose not to? Isn't it also sickening to say to an eighty-year-old couple, with backs as weak as a sheet of paper as a result of slaving all their lives to help build this island because they had no choice, we give you £60.00 per week, and just like the under 60-year-olds who are capable of working but choose not to, you also can work and earn another £30 before we start deducting any amount you earn over this amount from your allowance? Honourable Members, I know I am not alone in knowing that these financial policies are seriously flawed and we therefore together have some quite serious decisions and some not so serious decisions to make. However, I know all are very confident and professional and not looking for political brownie points.

With regard to pay and grading, obviously the objective is to improve output, but it is difficult for me to see how industry workers starting work at 8.30 in the morning will be conducive to improving output. I hope not, but there will be no surprises if this move may well land in your laps in the future to deal with.

Madam Speaker, Honourable Members, I believe that forty-six and three quarter million pounds are pretty good budget for the size of the island containing 4,000 people, but there will be a need for change to improve the way the previous budget was spent. There will be people who will resist change and that is the norm. Will be those who, more often than not, will have a self interest in the change being proposed, but our mandate my friends, given to us by those who elected us, are to make decisions on change in the best interests of the economy and people as a whole. Those who decided they would not vote, those who decided it is not worth being on the electoral register should keep quiet during this process.

Honourable Members, we are here today representing the people, not that we havefor change but that change has brought us here. Madam Speaker, I will therefore support the Budget.

The Speaker –

Thank you, Honourable Member. The Honourable Raymond Williams?

The Hon. Raymond Williams –

Thank you, Madam Speaker. Madam Speaker, Honourable Members, I have heard Budget Speeches and debates over the years via radio stations, both radio stations and have always wondered 'why so much detail'? Why ask so many questions when someone gives you money? To me it was the case to say thank you and spend it until it was all gone.

The Speaker –

Honourable Member, just one moment. By all means, fan yourself Madam, but if you could sit back while you're doing so, it's going into the microphone. No, that's fine, you're fine Honourable Member, thank you.

The Hon. Raymond Williams –

Right, sorry, Madam Speaker. These days we are told spend the money, spend it wisely and we are told what to spend it on. Sounds fair to me because we are spending money belonging to other people, in this case the British Taxpayer. The Honourable Financial Secretary has made it clear that inflation on St Helena was running at 5.2% in a downward trend to that of 2009. He also mentioned that the world recession in the 1980's caused unemployment on the island to soar when Saints decided to seek employment overseas. Perhaps we should think on the same lines of those St. Helenians who left the island in the early 1960's when a £50.00 loan was given to those who wanted to take up Hotel employment in the U.K. It worked then – why not pay the passage of working age Saints to return to the island now – on a similar basis – we would get those who can't afford fares to return back to the island quicker than we think. I believe that Saints will return home to work if we had better finances and a future.

I feel satisfied to note that our spending plan is based on a new Bulk Fuel Farm, a new sea rescue craft, Playground maintenance and Agricultural Land Clearance, Clinics and Sheltered Accommodations to be renovated, and much needed improvement to electricity, roads and water. Opportunities for enhanced Broadband provision for distance learning, to name just some of the shopping list. But, can we spend the funds on time and deliver the goods needed for the island? We need to work hard and ensure that these funds are fully utilised, bearing in mind constraints will bring complaints. However, I hope our private sector will be fully employed in much of the construction works, and alleviate some of the concerns of importing specialists, who, when after arriving here some appear to be neutralist, if ever there was a word. I must not forget to mention the long awaited funding for the Jamestown Rockfall Protection and equally important the funding for safer sea landing projects provided by DfID and EDF funding.

Madam Speaker, Honourable Members, we have agreed in principle that we need to raise some revenue towards offsetting the budget. Again, it is common practice that the beer drinker is targeted to pay a little increase, so does the smoker, and the vodka drinker a lot more. I am convinced that this Government needs to seek revenue from other sources within and not put the burden on those who cannot afford to pay more. I am personally interested in seeing the outcome next year of the Tax changes and the added concessions to improve our economy.

In conclusion, I put my trust in the Honourable Financial Secretary for holding the purse strings to the budget, but also to ask to be more pre-emptive when increasing revenue.

Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. The Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Thank you, Madam Speaker. Madam Speaker, first of all I would like to thank the Honourable Financial Secretary for his team for putting the Appropriation Bill 2010/2011 in front of us, I would also like to thank him for the inspired Budget Speech last Friday.

Madam Speaker, this is my thirteenth Budget Session of the Legislative Council. The number thirteen is normally associated with bad luck, but I have to say that this speech is no worse and no better than the other twelve. The Financial Secretary highlights lack of progress and constant delay of the airport for the island. The lack of decision on access is

one of the biggest obstacles to drive this island forward. To me, personally, I don't believe St. Helena will have air access in the foreseeable future. Many daisies will have grown over us all before the flight leaves St. Helena. This budget like all the others highlights the need for St. Helena Government to be efficient and thereby produce value for money for taxpayers here and also overseas.

Madam Speaker, it saddens me to say this, unfortunately there are no signs of improved efficiency in St. Helena Government and I will address this problem later when it comes to the overview of the St. Helena economy.

The Financial Secretary highlights inflation rates in South Africa and UK, also fluctuations in oil prices between the pound and the dollar. I have never heard any Financial Secretary considering this self induced inflation. Government's never-ending increasing in charges, fees and levies add to the soaring inflation rate on this island. We have most definitely reached the limit of what people can afford with the decreasing population and with an ageing population; there is no chance that people can afford to actually pay the increased cost of providing the utilities. We are far from achieving a sustainable economy.

Madam Speaker, what we are achieving in the new budget is a further Government-driven economy. The estimates for the year 2010/2011 indicates a huge increase in DfID aid, but the future cost of receiving this aid might have serious consequences for the island. Somewhere along the line, DfID will want their money back, which we will never be able to afford.

The grant-in-aid increases of £3.1m, the increase of shipping subsidy - £1m and the Development Funding which will increase from £4.1m 2009/2010 to £12.6m in 2010/11 which could cost us dearly.

Government efficiency is at an all time low with more and more people on higher and higher wages and producing less and less. Financial Secretary says that St. Helena is expected to do its part in continuing to reform and to perform. Madam Speaker, this I have heard for the last thirteen years without any substance.

The Financial Secretary is explaining that we will receive, even if it's not set in stone, £29.9m in average over the next three years. This is well over £7,000 per annum for each person living on this island. How can it be explained that we still have people living in poverty? I can only see one reason for this fact and that is St. Helena Government is not even close to being efficient. Unfortunately, I cannot in this budget see any efficiency savings of money and it does not increase the cost of providing a service. We see huge spending to make us more efficient. Madam Speaker, to me it's a joke.

DfID appears to have bad conscience over their failed airport plans. Therefore, they are handing out sweets to the kids, the kids being the St. Helenians. They will come back and ask for payment for the sweets at a later date. We are building up a structure on this island which is not suitable for all. For that, we will be paying in times ahead.

Half a million allocated on modernising Government has already in this budget led to further increased expenditure. Human Resources Department need more people to handle their obligations and all other Departments are trying to cash in from the goose that lays the golden egg whilst we Saints are the geese that they will pluck the feathers of with as little hustle as possible. Your feathers are the taxes, Saints, charges and levies that we'd be overpaying for in the future whilst the cocktail parties amongst the privileged continue.

To come back to the private sector, over the last few years it has become more and more difficult for the private sector. Laws what are introduced to prevent the private sector from developing. Government is interfering more and more in any attempt by an entrepreneur to make progress. I cannot remember any private sector initiative on this island that has not ended up in Court or with Court preparations being made. Is this how St. Helena Government is promoting the private sector development?

Madam Speaker, as Chairperson responsible for Civil Society, I would like to draw to the attention of the Honourable Financial Secretary, he mentioned Civil Society in his budget speech, the only mention made was that along with the Departments and private citizens, there are continuous requests from Civil Society for more money. This is a misleading representation of what Civil Society does and the importance of its role in the island and within the community. SHG's Strategic Development Plan leaves no doubt as to its importance. In the Executive summary, it states that St. Helena have a number of society organisations, many of which play a significant role in the community and thus facilitates sustainable development. A survey a few years ago showed that there were eighty recognised charitable organisations on the island. These charitable organisations not only have a social function but collectively are an expression of the lifestyle of the people, a major asset that makes St. Helena a unique tourism destination. Tourist Consultants have shown that local communities must appreciate the important role they play, contributing to the authenticity and ambience of the place, which is what the true visitor sees. The contribution of these organisations to the community is shown by a range of functions, including, for example, agriculture, fishing, medical, youth, elderly, disabled, various leisure activities, crafts, conservation, heritage, all making an input into the economy with many making a direct input, for example, the latter are the Yacht Club, the bi-annual Governor's Cup Race, the National Amateur Sports Association, NASA, the bi-annual Festival of Running, the Heritage Society, the Museum, the St. Helena National Trust, including the Millennium Forest, all for making a direct contribution to tourism. Others directly carried out SHG's policy like the New Horizons, dealing with not only the youth, but also taking on the maintenance of playgrounds around the island. The St. Helena Dive Club and the Sea Rescue, SHAPE, Social Enterprise for the disabled and vulnerable. I would like to point out to the Financial Secretary that SHG's contribution to all of the charitable organisations on this island amounts only to a pittance. For the range of activities, plus attracting much of their own funds, as well as getting support from volunteers, I think voluntary organisations are giving more value for money. In taking the island forward, we should acknowledge that Civil Society is as important as Government and the private sector on St. Helena if we want to ensure success and maximise all our resources.

To reiterate, the Budget does not give anything to promote private sector development, it only re-emphasises the Government's grip and power in the local economy. We are fundamentally the only place in the world where aid exceeds the gross domestic product. This is because the Government is inefficient, looking after itself and does not care about the people. However, as a Councillor, I have no other option than to support this Budget, that is the situation we are in. In the Committee stage, I will highlight certain revenue and expenditure headings which I would like to see amended. Madam Speaker, thank you very much and I would just like to wish Mr Desmond Wade a happy retirement, you are going to be greatly missed. We've worked with you for years, you're a great man. Thank you.

The Speaker –

Thank you, Honourable Member. The Honourable Michael Benjamin.

The Hon. Michael Benjamin –

Thank you, Madam Speaker. I just have a short statement and that is basically to say that I support the budget as I believe it offers many benefits for St. Helena. There are some shortcomings within the budget, but I believe these can be overcome with negotiations and sensible management. I also support the Honourable Financial Secretary's Budget Speech as I believe it highlights many of the areas that St. Helena needs to improve in order to reach a sustainable economy. It is a budget that will not get the immediate approval of all concerned.

Yes, we have many vulnerable people on St. Helena, but history has proven that we cannot lift them out of poverty with even more handouts. We need to give them the tools to better their positions in life and I believe this is what we need to do for all of St. Helena. Thank you, Madam Speaker.

The Speaker –

Thank you, Honourable Member. Honourable Members, it is customary to allow the Financial Secretary a few minutes to collect his thoughts before he responds, in which case we will adjourn for five minutes. Thank you.

Council adjourned.

Council resumed.

The Speaker –

Does the Honourable Financial Secretary wish to wind up the debate?

The Hon. Financial Secretary –

Thank you, Madam Speaker. It's my pleasure to wind up the debate to my first Budget Speech and I very much appreciate the astute and insightful comments that the Councillors have made, they have clearly spent the weekend studying my labours in great depth and have, I'm sure, enjoyed playing with some of the little quotations that were sprinkled through the text and have come back with a number of their own. So a little bit of humour always goes down well.

I would like to make, as my opening comment in winding up, Madam Speaker, that the intent of the budget, and I believe, indeed, the intent of Council, is that economic growth is the overall and overarching aim for the island to solve its problems. I understand and acknowledge that that is not an easy task and that, as has been mentioned by many of you, the lack of the decision on the airport for quite a while now has left us in a position of stasis and I believe the vision of the Council here is to try to get the island moving again in what had been very difficult circumstances and I believe that the Council will guide the island in that right direction.

I would like to respond to a number of the items that were raised by Members in their responses to the budget debate. And starting with our last speaker, Councillor Olsson brought up the contribution that Civil Society makes to the island and I would in no way disagree with her that Civil Society makes a very, very valuable contribution to the island, probably many times in value what is invested in it by the SHG. Indeed, being involved in one of those Civil Society organisations myself I acknowledge that Civil Society does play an important role in the cultural and social affairs of the island. And my comments were not so much that I rejected Civil Society or individuals or departments receiving funding, it's just that all of those organisations need to have budgets and they need to live within them i.e. whatever part of St. Helena society you represent, Government, Private Sector or Civil Society, we need to live and work within our means and that means living and performing within the budgets that are set.

I might come back to a number of the other issues and comments that were raised on the budget speech. One of those points picked up was the depreciation of 22% by sterling against the rand which has made the cost of imported goods much more expensive here over the last year. That is something that is out of our hands to control, but it is not something that is out of our hands to do something about or capitalise on. One of the things that I hope

would come out of the fact that imported goods from South Africa are now more expensive is that it should make it more efficient and more profitable to grow or catch more of our produce here on island and certainly one of the things that we all wish to see in the future is a more self sufficient island, particularly in terms of agricultural production. So even though the costs of South African goods may have gone up there is a silver lining to that cloud. And, in fact, there may be a double silver lining given that we are targeting tourism as a major driver of growth for the island. For South Africans, clearly sterling has become 22% cheaper, so maybe it does give us an opportunity to market the island to wealthy South Africans who will now find it financially a more attractive place to come.

Another point was well made by Councillor Gunnell about the pension reform and the fact that had we started thirty years ago when it was first mooted, St. Helena Government's finances, and, indeed, the island and the islanders, would be in a much better placed position than they are now and I couldn't agree more. It's a pity that we didn't start thirty years ago, but at least we've started somewhere and so one of, I believe, the achievements of this budget is that it opens the door for a funded pension scheme that we hope will eventually become the norm and we will in future be able to take the burden off generations of taxpayers for funding Government retirees, and, indeed, provide the wherewithal that people may be able to retire with dignity on a decent pension in future. So it's the start of a process, but I believe it's an important first step.

Several of the Councillors have raised their concerns about the ability of low income households to afford the rise in cost of living, and, indeed, the cost of Government-provided services. I certainly don't deny that that is a very important issue to consider and we're fortunate to have a Welfare Finance Adviser who is working on the island to look at ways to better target the benefits that we have so that those low income households that are in most need, whether they are on IRB or not, are the ones that will be protected and I fully endorse the principle that those who can pay and can afford to pay should pay and that those who would suffer great hardship need to be protected. But I believe that linking to that the cost of Government-provided services, as with the cost of anything else, do need to be considered and I would ask Councillors to look perhaps through a separate mechanism rather than the budget process itself at the ways of pricing Government services, and, indeed, targeting those low income households so that those who really need help get it and that we don't wastefully use Government handouts for those who are capable of providing for themselves.

Looking at the bigger picture, this budget, as has been mentioned several times, brings just under £90m over three years in funding to SHG. On average, that's £30m or £29.9m a year. That is a very substantial increase from the money that we got funded for last year and most of that money is not going into the pockets of SHG employees, it is for strategic investment in the capital and infrastructure that the island needs in order to be able to build its economy and provide a base on which the Private Sector can thrive. So I welcome that support that we've been committed to and which this Council negotiated through the Aide Memoire at the DAPM meeting. Of course we have to be very careful that in signing up to that Aide Memoire that we continue with the agreed policies and approaches that we're agreed with DfID in return for that, but I would be just very wary if during the subsequent stages of the Appropriation Bill that we get into any danger of taking decisions that might unravel and give DfID the chance to say that the terms of the Aide Memoire haven't been met, so please do proceed with caution that we don't kill the goose that lays the golden egg, to quote another poultry related quotation.

One of the things that was a feature of several of the Councillors responses was to do with the cost of fuel and the need for a Bulk Fuel Farm expansion. I believe we can all see the benefits of that by being able to import fuel in fewer but larger quantities; we can significantly reduce the delivery costs and therefore the overall cost of fuel. That will have

knock on effects into the costs of producing electricity and also the cost of operating Government and the cost to private individuals with their own motor vehicles. So the Bulk Fuel Installation is something that I welcome the investment for, regardless of whether we have an airport or not. The question was asked how soon can we get started on that and the answer is that contractually we can't do anything until a decision has been made about the existing contract with Impregilo for the building of the airport. Until that is determined, we would be in danger of invalidating the Airport Construction Contract, so I would imagine it won't be until after July this year that we will know when the construction of the Bulk Fuel Farm might be able to commence.

Quite a lot has been said about the need to stimulate the Private Sector, and, indeed, to reduce the burden that the Public Sector imposes on the Private Sector so that we can have a more growth orientated economy. This budget starts those processes, both with the Public Sector Modernisation Programme changes that SHG has been implementing and the start of a series of Tax reforms which I will be working with your Council over the course of the next twelve months that will be aiming to broaden our tax base, lower the tax burden and provide an environment which will encourage the Private Sector to grow.

Tourism, as I had said in my Budget Speech, is one of the sectors that we hope that we should be able to stimulate and I have mentioned the internet services was another area of potential growth and I acknowledge that yes it has been looked at before and that yes probably with air access it would make it much more viable. You may be interested to know that in discussions with Sue Wardell, Director from DfID when she was over here, I raised with her the prospect of internet-based services being a way to generate more external revenue for the island. In fact, I rather cheekily suggested that since we knew so much about the use and management of aid funding, why didn't we take on a lot of DfID's back office operations and transfer them from East Kilbride to here and surprisingly she didn't give an outright no to that, so remember that next time she comes back. We may be able to earn some money from DfID rather than just requiring a handout.

One of the things that this budget attempts to do, I believe, is capitalise on the green light that Sue Wardell has given, asking the island to be more proactive in pursuing its own ends and needs, and, indeed, the work that I shall be doing with the Council looking at, over the course of the next twelve months, will be innovative ways that within our own resources and assets we can undertake things, such as looking at ways to complete the safe landing in James Bay if DfID themselves are not prepared to invest in that project.

Now I would like to come to the question of how the Council can play an increasing role in steering the direction of the island through the budget process and ensuring that it gets better value for money out of the Government funds that it appropriates. I realise that much of this budget preparation was done before the election of this Council and I must pay due regard to the previous Councillors for all the work that they put in to the basis of the budget and I realise that that has only given this Council a limited amount of scope to set priorities, because many of them were set back in May last year when Council met with Government at Plantation House. However, your opportunity to feed in to the budget process and to play a very active role in steering where funds will go, will come in the preparation of next year's budget which will be at the top of my agenda as soon as we have concluded these proceedings and I do believe that there's a lot to be done to make your role more effective in finding what are the strategic priorities for the island. A lot of emphasis in the past has been put on trying to reduce wasteful expenditure in Government, but I think that is only part of the picture. What you need to be also making decisions about is looking at not how much a thing costs necessarily, but what is the Department doing with the funds that it gets, are the services that it are providing really the top priorities, should they be doing more or less and very importantly are they actually delivering what they say they intend to do and that is

information that I will be working with Departments and with Councillors in the course of next year's budget to be able to prepare and put before you.

Another point was made about the need to upgrade and improve the accounting systems so that, indeed, we do know how much we are spending and we have good control over, not just expenditure, but also understanding what our assets and liabilities of Government are, something that we don't know at the moment. And picking up Councillor Green's perceptive point that, yes, the apparent surplus of £1.1m at the end of this year is largely because we received an advance payment from DfID for RMS repairs, that, indeed, is an anomaly that only comes with the primitive form of accounting which we use in Government here and one of the top priorities for reform over the next year will be looking at replacing cash accounting, which gives these anomalous kind of results, with accrual accounting which will give you a very much more realistic view of what the real budget outcome has been.

So, in summary, I believe this budget, while it won't please everybody, because no choices ever can please everybody, I believe it sets the foundation and the direction for the island and it gives Council an opportunity to go for it, as Sue Wardell said, and start to steer the island towards greater prosperity, which is what will eventually make the difference for pulling those in most need out of their predicament.

Finally, Madam Speaker, I would like to acknowledge the tremendous amount of work that our Chief Finance Officer, Mr Desmond Wade, has done in preparing this budget as he has done for many, many budgets in the past. He will be sorely missed when he retires at the end of June and that kind of corporate knowledge and expertise is almost impossible to replace. I would like to place on my record my deep gratitude to Desmond, and, indeed, his team who have helped in bringing this budget together. Madam Speaker, I beg to move.

The Speaker –

Thank you, Honourable Financial Secretary.

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

The Hon. Financial Secretary –

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

The Speaker –

Is there a seconder?

The Hon. Attorney General –

Madam Speaker, I beg to second.

Question that Council resolves itself into a Committee to consider the detailed provisions of the Bill, put and agreed to.

Council in Committee.

The Speaker –

Honourable Members, I'd just remind you that this is an Appropriation Bill so the Schedules are considered before the Clauses and that special rules of procedure are set out in Order 13, Rule 2 of Standing Orders. We therefore look at Schedule I, Consolidated Fund, Head of Expenditure Head 11 – Governor, £146,113, which is on page 19 of your Estimates. Does

any Honourable Member have any questions on Head 11 – Governor, to be exact, Governor’s Office?

Head 11 – Governor’s Office, £146,113.

Question put and agreed to.

The Speaker –

I put the question that Head 12, Office of the Chief Secretary - £691,782 do stand part of the Bill. Does any Honourable Member have any questions? Head 12 is on page 21.

Head 12 – Office of the Chief Secretary, £691,782.

Question put and agreed to.

The Speaker –

I put the question that Head 13, Human Resources - £3,090,063 do stand part of the Bill. Head 13 is on page 23. Any Honourable Member have any questions or comments?

The Hon. Rodney Buckley –

There is considerable increase, Madam Speaker, under Pensions and that include the additional funds for the new pension scheme, I take it?

The Speaker –

Honourable Paul Blessington?

The Hon. Rodney Buckley –

There’s an increase of £1.3m.

The Hon. Paul Blessington –

I beg your pardon. Were you looking at the total figure or a particular line?

The Hon. Rodney Buckley –

The pensions line,

The Hon. John Cranfield –

No, no pensions.

The Hon. Rodney Buckley –

Payments to other agencies, bodies and, oh, sorry, I beg your pardon, persons. Payments to other agencies or persons

The Hon. Paul Blessington –

Madam Speaker, the reason for the large increase in that line has been the transfer of TC funded officers from TC into SHG recurrent funds, reflected in the HR budget.

The Speaker –

Thank you for that explanation. The Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Yes, your employee costs, 2010/11, 143 and 2011/12 168, can you explain that, is this for more staff or?

The Speaker –

We're looking at the increases in expenditure, the top line under Expenditure of Employee Costs.

The Hon. Paul Blessington –

Madam Speaker, if I may draw attention, there is actually a footnote in the Estimates, Honourable Members can see a note of explanation for significant movement and the first point says that Employee Costs increased due to two new posts costing £20,000 in 2010/11, £33,000 in 2011/12 and £18,000 in 2012/13.

The Hon. John Cranfield –

A point of information, Madam Speaker, we are discussing 2010/11 aren't we?

The Speaker –

We are at the moment looking at the budget before us, the Appropriation Bill before us deals with the 2010/11 estimates. The Honourable Bernice Olsson was just noting the increases for the following two years as well.

The Hon. Bernice Olsson –

I know you have, Madam Speaker, footnotes, but for the sake of the public as well, you know, they would er..... So is this for an increase in staff 2010/2011, this 143, how many staff are we looking for?

The Hon. Mervyn Yon –

Two.

The Hon. Bernice Olsson –

Two.

The Hon. Paul Blessington –

I would have to check with HR, but I believe it is two.

The Hon. Bernice Olsson –

You see, this is where the public is getting confused, when we get a PSMP, we're supposed be cutting Public Sector and now we're increasing staff. You know, if we're talking about efficiency.....

The Hon. Paul Blessington –

Madam Speaker, if I may comment. One of the things the PSMP review did was to look at the staff of the HR Department and give the considerable increase in workloads, particularly with such things as the transfer of many posts into SHG, taking on the responsibility for recruitment etc of those posts, the HR Department has been understaffed and this is trying to rectify that. So we should get a more efficient Department capable of performing its role better.

The Hon. Bernice Olsson –

Thank you.

The Hon. Cyril Gunnell –

Madam Speaker, will the HR Department be requiring any more people?

The Speaker –

Other than those that are listed here?

The Hon. Cyril Gunnell –

Other than those two, yes.

The Speaker –

Honourable Andrew Wells?

The Hon. Andrew Wells –

There's no immediate indication that they will. The situation has got to be kept under review as we carry out the front.....analyses of other departments. In some other departments, I would hope to see reductions in staff numbers, by the way, I don't want to rule out what could happen subsequent to this, the financial year that we're looking at at the moment. Any post would need to be justified on its own merit, of course.

The Speaker –

Any other Honourable Member got any queries?

Head 13, Human Resources - £3,090,063.

Question put and agreed to.

The Speaker –

I put the question that Head 14, Legal, Lands and Planning - £570,016 do stand part of the Bill. Head 14 is on page 25. Any Honourable Member have any questions?

The Hon. Brian Isaac –

Madam Speaker, can I just ask if I can be told if any new monies has been put into the Legal and Lands budget for the Crown Estates now that they have bigger responsibilities within Government?

The Speaker –

A query relating to Crown Estates

The Hon. Paul Blessington –

Madam Speaker, again referring to the notes, but I will read them out for the benefit of the listening public. The second note says that property costs increase due to increased budgetary provision for maintenance of buildings, grounds and trees, an additional £69,000 in 2010/11 and further amounts of £29,000 in the subsequent two years.

The Hon. Brian Isaac –

Thank you, Honourable Financial Secretary.

The Hon. Stedson Francis –

Employee costs has reduced by some £70,000, can I ask why is this?

The Speaker –
Sorry, could you ask....

The Hon. Stedson Francis –
Employee costs.

The Speaker –
Employee costs.

The Hon. Stedson Francis –
Right down the bottom, okay.

The Speaker –
I think this is TC going to HR probably.

The Hon. Stedson Francis –
For the listening public's benefit.

The Hon. Paul Blessington –
Yes, Madam Speaker, employee costs have been decreased due to a transfer of the Technical Cooperation posts across to HR.

The Speaker –
Any other questions?

The Hon. Cyril Gunnell –
Just to query, Madam Speaker, £15,000 for 2010/11 and I know we're discussing the budget for this particular year, but the following year is £30,000 and the year after that is £45,000, what does that mean exactly?

The Speaker –
Which line are you looking at Honourable Member?

The Hon. Cyril Gunnell –
Employee costs, Madam Speaker. It's £15,000 for 2010/11, which is what we're talking about.....

The Speaker –
A revised staff structure.

The Hon. Cyril Gunnell –
But I'm just querying why £30,000 the next year and then £45,000 the following year, does it mean a doubling up or trebling up?

The Speaker –
The Honourable Member is looking at the footnotes about employee costs decreasing and the part, the offsetting of by increased costs due to a revised staff structure.

The Hon. Paul Blessington –

Madam Speaker, the reasons for the changes, first year is relatively low because following the restructure and functional analysis the Department recruitment would commence halfway through the first year and then there would be subsequent changes in the second and third years.

The Speaker –

Thank you. Any further questions?

Head 14, Legal, Lands and Planning - £570,016.

Question put and agreed to.

The Speaker –

Honourable Members, I was asked before proceedings started this morning if I could allow lunch break to take place a little bit before half past twelve in order that you are able to actually order your meal and eat it without too much of a rush, in which case, I think we will at this point adjourn proceedings and we will resume at a quarter past one, you notice I'm allowing you almost a full hour on this occasion, but we'll have a lot of heavy work to do this afternoon, so we will adjourn until a quarter past one.

Council adjourned.

Council resumed.

Council resumes in Committee.

The Speaker –

Welcome back, Honourable Members. We're going to look at Head 15. I put the question that Head 15, Police - £858,650 do stand part of the Bill. Page 27.

The Hon. Bernice Olsson –

Madam Speaker, can I, it says equipment, down the bottom here £20k, Public Order Equipment, I don't think I can agree to that, it's an awful lot of money, what kind of equipment are we talking about?

The Speaker –

Honourable Financial Secretary orPublic Order Equipment?

The Hon. Financial Secretary –

Madam Speaker, I understand the equipment being referred to is various types of protective gear to bring the Police up to international standards.

The Hon. Bernice Olsson –

Are you talking about riot gear then, Chief Secretary, er Financial Secretary, sorry, you're in the firing line again, eh?

The Speaker –

Was that an intended pun?

The Hon. Paul Blessington –

Madam Speaker, not being an expert in Police equipment matters, I would need to refer the details of the equipment to the Chief of Police, I'm unable to answer that in detail.

The Hon. Andrew Wells –

Madam Speaker, I can give a very general answer, if I may?

The Speaker –

Please do. Thank you.

The Hon. Andrew Wells –

My understanding is that the equipment would include things such as riot shields, but that does not mean to say that we're about to prepare for riots. What it means is equipment which is required by international convention, if, for example, Police Officer are asked to arrest violent or dangerous criminals who would otherwise not be able to be apprehended legally.

The Hon. Bernice Olsson –

When last have we had a riot, the whole time I've been.....

The Hon. Andrew Wells –

As I said, Madam Speaker, and to the Honourable Bernice Olsson, this is not in anticipation of a riot, it is rather equipment that is generally required under international protocols if dangerous or potentially violent criminals are to be arrested or subdued and as you know on the island we have had difficulty of that kind quite a few times in recent months.

The Speaker –

I think the Honourable Ken Baddon can perhaps throw some enlightenment on this as well.

The Hon. Ken Baddon –

Madam Speaker, the Chief Secretary's closing remark touched upon what I was going to say. We fortunately do not have significant disorder on the streets in St. Helena, at least not very often, but I'm aware of at least two occasions in recent months when officers have had to wear protective gear and, of course, they are entitled, in terms of health and safety, to expect to have proper protective gear when they have to go into a dangerous situation.

The Hon. Bernice Olsson –

So the firearms equipment for £15k, what's that, guns?

The Hon. Ken Baddon –

I don't know about firearms, you asked the reason about Public Order Equipment and that's the point I was commenting on, I don't know about the firearms equipment.

The Hon. Bernice Olsson –

What is the firearms equipment, is that guns or...?

The Hon. Andrew Wells –

I believe, Madam Speaker, it is testing and other equipment required to modernise the firearms held by the Police, but I would be quite happy to provide or ask the Chief of Police to provide details in writing. I think the general point to be made about these relatively

modest increases is that in many cases the Police on the streets do face difficulties when confronted unexpectedly with hazardous or dangerous situations, it only takes one individual to create such a situation and those kind of situations need to be handled, as I'm sure the Honourable Derek Thomas will recall, tactfully but vigorously and they should not endanger the lives either of passers-by or, indeed, a Police Officer, so this is only intended in that spirit. Thank you.

The Speaker –
Honourable Derek Thomas?

The Hon. Derek Thomas –
Can I just ask for clarification, Madam Speaker, the repairs and renewals fund, £10,000, what is that for?

The Hon. Paul Blessington –
I understand that the, Madam Speaker, the £10,000 for repairs and renewals is for spares and support for the new sea rescue boat. That is also, you will see, is the other significant change in the budget for next year.

The Speaker –
Honourable John Cranfield?

The Hon. John Cranfield –
Just a question, will.....point transport and plant reduces from 2010/11 due to a reduction in vehicle hire charges. If my memory serves me right, the hire charges have just been increased recently on all Government vehicles?

The Hon. Paul Blessington –
Madam Speaker, the reduction is one to do with reduced usage by Police rather than a reduction in the rate of vehicle hire.

The Hon. John Cranfield –
It says reduction in vehicle hire charges in the Estimates.

The Hon. Paul Blessington –
Well, if they're used, Madam Speaker, if they don't need to use as many vehicles, even though the individual hire charge may go up, the total of hire charges would reduce.

The Hon. Cyril Gunnell –
I think they should be applauded for reducing transport costs, but can I ask the Chief Secretary to confirm that Police won't actually be carrying guns around with them will they?

The Hon. Andrew Wells –
The Police generally don't carry firearms when on patrol; they carry firearms under certain prescribed circumstances that are also set out by law when they need to do so.

The Hon. Cyril Gunnell –
No, I just asked you to confirm that they won't be carrying guns round with them.

The Hon. Ken Baddon (Attorney General) –

Madam Speaker, there is certainly no intention that Officers will routinely carry firearms. If that's what the Honourable Member is asking then the answer is no they will not be carrying firearms, but there are situations in which senior officers authorise the issue of firearms and when that has been done of course during the operational period of that order certain Officers, firearms trained, will be carrying firearms.

The Hon. Bernice Olsson –
Sounds scary.

The Hon. Cyril Gunnell –
Bit scary I thought, I don't want to get into a situation where Police are seen with firearms attached to their waist, that's all.

The Hon. Ken Baddon –
Madam Speaker, I've already said they will not routinely carry firearms but they must be able to respond to situations.

The Hon. Bernice Olsson –
It's just that, Madam Speaker, it says Public Order Equipment, £20k, we've gone all these years without and now all of a sudden it's becoming as if it's something that's got to be.....

The Hon. Ken Baddon –
With respect, Madam Speaker, we haven't gone all these years without, the Police Service does already have Public Order Equipment in order to deal with any violent situations. As with most of these issues to do with equipment, it wears out, it becomes obsolescent, it needs to be replaced and updated. As I already said, I'm aware of at least two occasions in recent months when officers have used this type of equipment so it's not right to say that we can manage without it, we have it, but it needs to be modernised.

The Hon. Bernice Olsson –
I thank the Honourable Chief Sec for that answer, I am just querying, you said that the equipment is worn out, I wonder how many times that equipment has been used for that equipment to be worn out. You know, we're looking for money for revenue, we're looking for savings.

The Hon. Andrew Wells –
Can I point out as a general point, Madam Speaker, one of the reasons that we run into difficulties with maintenance of everything in this island, ranging from the wharf and the hospital to the schools and the roads is because in the past we've not always included sufficient recurrent funds in the budget, or replacement funds in the budget for that purpose and it is quite important that when we have capital equipment that we maintain it, when it is past its shelf life, so to speak, that we replace it. My understanding, and I said I'd be happy to provide further details in writing, is that the Police request in this context is quite modest, given the type of situations that they have to deal with.

The Speaker –
Any further questions?

Head 15, Police - £858,650.

Question put and agreed to.

The Speaker –

I put the question that Head 16, St. Helena Audit Service - £93,483 do stand part of the Bill. Any questions, Honourable Members? On page 29.

Head 26, St. Helena Audit Service - £93,483.

Question put and agreed to.

The Speaker –

I put the question that Head 17, Finance - £1,961,110 do stand part of the Bill. Any Honourable Member has questions. Head 17, Finance Department is on page 31 and there are some additional notes on the following page.

The Hon. Cyril Gunnell –

Just a general comment, Madam Speaker, I find this pink book rather confusing.

The Hon. Bernice Olsson –

Yes.

The Hon. Cyril Gunnell –

It's not as easy as it used to be looking at stuff and seeing it all laid out before you and it's got footnotes at the bottom so one might say why are we, sort of, questioning anyway, but if they weren't there then the public wouldn't be hearing anything, but I do find it very, very confusing the way it has been done for this particular year anyway.

The Hon. Bernice Olsson –

Madam Speaker, I have to agree with the Honourable Cyril Gunnell. We asked last year please can we have the Estimates like we used to and we ended up with the summary and it is very confusing and after all, we are the Councillors who are answerable to the public and it's very confusing because you're looking down there at the small print, so hopefully the next financial year we will get what's asked for, because we are the ones that the public is going to question about this pink book, why are you saying toit is very, very difficult.

The Hon. Cyril Gunnell –

Just on that point, Madam Speaker, normally summaries are meant to, you know, hide some things sometimes and just bring out the main bits and, you know, with a summary you sometimes wonder, you know, what isn't there, so it's rather confusing, I have to say.

The Hon. Bernice Olsson –

I don't feel as if we're getting a true picture, Madam Speaker.

The Speaker –

I'm sure the Financial Secretary will want to respond to those comments, but I take it that nobody has any objections to the fact that there are the explanations included in the book, it's more the actual layout and the detail of the actual estimates themselves. Is that what's

The Hon. Bernice Olsson –

Yes, we are the ones that got to pass this, Madam Speaker, and what annoys me we asked twice and everybody ignored us.

The Speaker –

Do you wish to respond?

The Hon. Paul Blessington –

Madam Speaker, thank you for the chance to respond. I will listen carefully to the points that have been raised by the Councillors. I would like to point out, however, first of all there is no intention in putting a summary document together that it should in any means or be intended to hide any of the information, in fact, sometimes providing a plethora of detail is an easier way to hide things than providing a summary where you can see where the big changes are. Councillors were provided with all the backup detail that supports the budget book during the DAPM process, they each got folders which had the background, in-depth detail that they would have had previously, so the detail has been provided. Here with the new look Estimates book, the intent is to try to draw attention to the main causes of expenditure differences and that's why the explanations at the foot of each page have been given. The book has also attempted to show not just what the money is being spent on, but the strategic priorities which are being targeted with public spending, and that is a new part of the Budget Book that wasn't there in previous years, which I hope the Honourable Members will have a chance to read through and acquaint themselves with.

The Speaker –

Any further questions on Head 17, Finance Department?

The Hon. Bernice Olsson –

I was looking 21011, down the bottom, it says this is employee costs, additional cost of the new pay structure, that's what.

The Speaker –

Would you like the

The Hon. Bernice Olsson –

Yes, please.

The Speaker –

Honourable Paul Blessington just to explain the additional costs for the new pay structure as highlighted?

The Hon. Bernice Olsson –

To the public what it's all about.

The Hon. Paul Blessington –

Yes, thank you, Madam Speaker. Members of the public will have heard during the Budget debate that SHG has undertaken a pay and grading structure to try to ensure that every job is evaluated and paid at the appropriate rate so that we have a fairer pay structure. That has meant that no individual, even if their job grade was downgraded, no individual will be financially worse off and many individuals in SHG will have had their jobs upgraded so that they will get more, so the total pay bill for SHG has risen as a result of that. That is included because that pay and grading restructure has not yet been allocated across the individual

Departments, it is all currently being held in the Finance Department budget, but it will clearly be paid out to individuals in payments in their own Departments over the course of the year. Also included in the employee costs figure is an allowance for the introduction of the defined Contribution Pension Scheme where, from this year onwards, SHG will be putting aside money into a fund for new starters so that we won't continue forever building up an increasing pension liability that will have to be met by future taxpayers, so all of that is in the Finance Department's budget for 2010/11.

The Hon. Cyril Gunnell –

Can I ask, where can I find in these pink pages the amounts that will be spent for home to duty transport?

The Hon. Paul Blessington –

From the 1st April, under the pay and grading and restructure, where everybody basically assumes the same terms and conditions, home to duty transport is now being paid for directly by the users and consequently their salaries have been adjusted upwards to take account of their payments for home to duty, so it's actually now included in the costs of their salaries.

The Hon. Cyril Gunnell –

And is it still the case that people will be paid £28,00 a month, regardless of whether they need it or not?

The Hon. Andrew Wells –

I believe I understand ...ple behind the Honourable Member's question. The answer is they won't be paid any specific sum. On a once off basis that previous allowance will be rolled in to their salaries and thereafter it will disappear. This is the normal contractual way of dealing with allowances that were previously paid. We're hoping to make the system as simple as possible while not leaving anybody worse off, as the Financial Secretary has already said. But by getting rid of allowances of various kinds that have historically existed for good reasons or bad, putting them into the salaries we get rid of a problem and we simplify the system, make it more cost effective for the Administration and more user friendly for the employee.

The Hon. Cyril Gunnell –

You're hoping that people will not be worse off, but some people, will, of course, be better off, won't they, than some other people?

The Hon. Andrew Wells –

That is quite possibly the case. As always, when you have a blanket allowance, that would be true in some cases and that's another good reason for moving away from the allowance system and on a once off basis simply incorporating, the amounts involved are not huge, and that's contractually necessary to do if you're going to get rid of an allowance, after that any perceived or actual inequities would come to an end. The more that we introduce individual allowances for special circumstances the more abuse can creep into the system and the more unfairness can creep into the system. By pushing everything onto one pay spine, minimising the number of special cases, discretionary allowances and so on. As we move into the next budget cycle, people's pay should be seen to be fairer than it is at present.

The Hon. Cyril Gunnell –

But as we are trying to save some money, we are actually going to spend money that some people don't need. If someone is working a hundred yards from where they are working, why do they need to have £28.00 to get them to work, whereas if somebody's living in Levelwood and is working in Jamestown then obviously they need more than £28.00, but if someone is living in Jamestown and they work up the Hospital somewhere, why does that person need £28.00, do we have money to throw away?

The Hon. Andrew Wells –

Absolutely not, Councillor. I agree that this is the trouble with having allowance systems. Either you have to pay everybody exactly the same to avoid argument, because people can move, location in this case, or you'd have to have a very complicated administrative system to double check where people live, whether it's their principle residence and all the rest of it. Neither of those options is ideal, the best thing to do is not to have the allowance at all, so that's what we're doing, we're buying it out. But if somebody's been receiving an allowance whether it's rightly or wrongly, in my or your opinion, they have been receiving it under their terms of employment, in order legally to buy that out, we need to give them a one off roll into the salary, thereafter their salaries will be treated without reference to where they live and there will be no discrimination, they may get increases or decreases in pay, depending on their performance and they may get increases in their pay if there are any cost of living increases, but we will not have to deal with the problem that you have described so well in future. As a one off measure, this is contractually necessary.

The Speaker –
Mr Buckley?

The Hon. Rodney Buckley –

In Other Expenses, Madam Chairman, of £565,857, in the detail to that other expenditure, £15,000 usually paid for Ferry Services are not included in the next three years, can the Financial Secretary say if there's a new arrangement for this ferry service?

The Hon. Paul Blessington –

Madam Speaker, the questions that were raised, these payments and services haven't been dispensed with, it's simply that the Departments responsible for them have changed, so the budget is no longer held in the Finance Department. In the case of the Ferry Service it's been transferred to the Development Department, DEPD and Fisheries has been transferred to the A&NRD budget, so the....

The Hon. Rodney Buckley –

Thank you, Madam Chairman. I have one more question, same heading. In the detail, the Audit Fees for the Treasury have reduced from £99.254 down to £34,730, does that mean that there'll be less auditing done in Government Departments?

The Hon. Paul Blessington –

Madam Speaker, the reduction doesn't represent a reduction in the amount of auditing that's being undertaken, it's simply reflecting that internal audit has been separated into a different Department and is not charging for its service, but there will still be the same amount of quantity of audit being undertaken by SHG.

The Hon. Cyril Gunnell –

Where will I find on this piece of pink paper or another piece of pink paper a figure for housing assistance to the elderly?

The Hon. Paul Blessington –

Madam Speaker, the figure that the Honourable Member is seeking is contained within Other Expenditure. The figure for housing assistance to the elderly is £10,000 and it's contained in the background documents that we've distributed to Councillors in their blue books, but that is the figure, £10,000 within Other Expenditure within the Finance.

The Hon. Cyril Gunnell –

Can you not understand Chief Secretary why I'm finding this so difficult? The figure isn't included in here.

The Hon. Andrew Wells –

Well, I can only offer a personal view on that, but I think I will, I think that there are two different types of document which are useful to have. One is all the massive detail for those who want to go there and Councillors are entitled to have that and they do, we all have that, mine's here, the other is a strategic summary highlighting the purposes of the expenditure, this is what's called output based budgeting, which is the way we're trying to move with modernisation which also summarises the major heads of expenditure and major changes. It's quite normal practice in other jurisdictions to have these two alternative documents; one for the strategic picture, one if you want to go into detail.

The Hon. Brian Isaac –

Madam Speaker, can I ask, on the amount quoted by the Financial Secretary of £10,000, has that been decreased or has that always been the normal figure?

The Hon. Paul Blessington –

Madam Speaker, that figure is the same as in 2009/10 so it hasn't been decreased.

The Hon. Brian Isaac –

Thank you.

The Hon. Cyril Gunnell –

Madam Speaker, sorry for asking these silly questions, but is there a figure for Miscellaneous Minor Works next year, is it included somewhere in the pink papers here?

The Hon. Paul Blessington –

Madam Speaker, there is an amount for Miscellaneous Minor Works, it's actually included in the DEPD Appropriation Head, I believe it's £26,000 for next year.

The Hon. Cyril Gunnell –

I have to say excuse me for asking these questions, Madam Speaker, but I'm not comfortable with the way things are being done here at the moment, I'm not comfortable with these pink papers, they are unusual to me. I've been on the Council before and I haven't seen it done this way before so a lot of detail, as far as I would like to see, is not here for me to question.

The Hon. Andrew Wells –

Madam Speaker, while we'll take that onboard, there was a lot of criticism during the last Council of the fact that there was complex and excessive detail being presented and that a

more strategic picture would be welcomed, but those are now available, because these figures, we're happy to answer questions, these figures do appear within the detailed Estimates.

The Speaker –

Any further questions on Head 17?

The Hon. Rodney Buckley –

Yes, Madam Speaker, can the Financial Secretary give a little explanation please, under Minor Works you've taken out £200,000 from the Property Costs and in the details of reimbursement, housing loans of £200,000, but I'm a little bit confused why you have removed Minor Works out of Property Expenditure and out of Revenue Housing Loans of £200,000 has been removed, can the Financial Secretary give me a little explanation, please?

The Hon. Paul Blessington –

Madam Speaker, the answer to the Honourable Member's query is that there was £200,000 of expenditure to be undertaken against Minor Works and the funding for that has been withdrawn from the Housing Loans Revolving Fund which had been built up and accumulated so it's a case of money coming out in one area and then being expended in another.

The Hon. Rodney Buckley –

So there is no more Housing Loan Fund, is there?

The Hon. Paul Blessington –

No, there still is money in the Revolving Fund, but this was used for a specific purpose. We don't normally use it for everyday purposes, but this was a specific scheme that was being run.

The Hon. Rodney Buckley –

And there's also, Madam Chairman, a reduction of £50,000 in interest earned for 2010/11 against this previous year, can the Honourable Financial Secretary say what happened to the interest, why is the £50,000 reduction?

The Hon. Paul Blessington –

Well, Madam Speaker, there has been a reduction in interest rates. In the last year, interest rates, as people know, internationally have dropped to extremely low levels and we do keep funds offshore as well as in St. Helena, so interest rates both offshore and here have fallen.

The Hon. Rodney Buckley –

And there's no more Orphans and Widows Fund anymore, Madam Chairman?

The Hon. Paul Blessington –

Madam Chairman, I understand there is no Orphans and Widows Fund anymore.

The Hon. Cyril Gunnell –

On page 22, there's an amount of £11,000 for Maintenance of Playgrounds, ongoing and new playgrounds. Where are these new playgrounds?

The Speaker –

Sorry, we're looking at Finance, page 31, I'm not quite sure how you're linking it in?

The Hon. Cyril Gunnell –
32, page 32.

The Speaker –
Sorry, I beg your pardon.

The Hon. Cyril Gunnell –
Over the page, yes, sorry about that.

The Speaker –
That's alright. Where it's got playground equipment £44,000?

The Hon. Cyril Gunnell –
I'd be jumping with joy if there was some money put in to upgrade the playground at the top of Jamestown, but I know there isn't. It does actually say new playgrounds, I'm wondering where these playgrounds are.

The Hon. Bernice Olsson –
I think that playground has been condemned.

The Hon. Paul Blessington –
Madam Speaker, in relation to the playgrounds, there are actually five new playgrounds to be opened in Longwood, Levelwood, Sandy Bay, Blue Hill and Jamestown. The equipment for these playgrounds has been put on order and there's also going to be a maintenance person hired to look after them.

The Hon. Cyril Gunnell –
So what money is available for Half Tree Hollow playground?

The Hon. Paul Blessington –
Madam Speaker, I imagine it will have a proportionate share along.....yes, the Half Tree Hollow playground is being separately funded from the UN Programme.

The Hon. Cyril Gunnell –
I'm glad to see there are funds, Madam Speaker, for new playgrounds. Wouldn't it have been a good idea to make this known to the public?

The Hon. Andrew Wells –
We would be very happy to give more publicity to all the favourable points in the budget. We selected some goodies, as we thought, didn't want to oversell it, but I think that's quite a good point, but we should perhaps, either the relevant Committee, chaired by the Honourable Bernice Olsson, can consider that with the officers concerned and see how best to publicise it and at what time the works would actually take place.

The Speaker –
Sorry, Honourable Ken Baddon wants to say something and then Honourable Stedson Francis.

The Hon. Ken Baddon –

Just on the procedural point about publicity, Madam Speaker. If the officials were to go too far in giving publicity to things which they hope will be approved in the budget, doubtless Honourable Members will be complaining that we've jumped the gun. There is a balance to be struck.

The Hon. Bernice Olsson –

Can I just ask, does that include the Duke of Edinburgh playground, you said five, does that include the Duke of Edinburgh or that is just new playgrounds?

The Hon. Paul Blessington –

Madam Speaker, the location of the Jamestown playground has not yet been determined, whether it will be the Duke of Edinburgh or some other location in Jamestown.

The Hon. Cyril Gunnell –

Has the definition of playground changed then, because there was only two playgrounds, Duke of Edinburgh and Prince Andrew School, the rest were play areas. Do we now have a change in the definition so that we now have more playgrounds than just the two and not play areas as used to be the case?

The Speaker –

I think the Honourable Attorney General will respond.....

The Hon. Attorney General –

I was simply going to say there's been no change to the Ordinance. There's an Ordinance called the Recreation Playgrounds Ordinance, I don't have it with me because I didn't anticipate the question, but there has been no amendment to that Ordinance. Whether there have been some administrative changes with regard to funding for playground/play areas, is outside my area.

The Hon. Andrew Wells –

I think, Madam Speaker, the Honourable Member has raised a valid point. If we're now going to treat five playgrounds or areas much the same, financially and in terms of policy and maintenance, it might be necessary in due course to reflect that in the provisions of the Ordinance. I'm not certain of that, but we could look at it.

The Hon. Cyril Gunnell –

Well, the reason for the question was that there never used to be any money in the budget for play areas, only for playgrounds. Therefore, the two playgrounds receive the money and areas such as Half Tree Hollow and so on, Longwood, it was no money available so the definition is rather important I think.

The Hon. Andrew Wells –

I agree. I'm sure that the Honourable Bernice Olsson and her Council Committee will wish to look at the details of how this money is spent.

The Speaker –

Honourable Stedson Francis?

The Hon. Stedson Francis –

I'd just like to say I thought some publicity was given, because I was given information when we went round to the constituency meetings, I was able to tell the constituents of the money that was made available. In Sandy Bay, I think they had two or three thousand pounds more than some of the other districts because of the installation of maybe volleyball and football areas and in Half Tree Hollow with the UNDP funding we got a gentleman on island now who is to do with training through UNDP and he will train the vulnerable or those prisoners, they will be responsible for construction, if you like, of the playground in Half Tree Hollow, using UNDP funding.

The Speaker –

Thank you for that, Honourable Member. The Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, can I ask the Honourable Financial Secretary, Madam Speaker, that seeing that the Half Tree Hollow playground is a one-off UNDP funding, will the Half Tree Hollow playground be included in the continuous maintenance programme for other playgrounds?

The Hon. Cyril Gunnell –

That's the point, that's the point.

The Hon. Paul Blessington –

Madam Speaker, it will be included along with the other playgrounds for maintenance.

The Hon. Derek Thomas –

Thank you, Madam Speaker.

The Speaker –

Honourable Bernice Olsson?

The Hon. Bernice Olsson –

Madam Speaker, can the Honourable Financial Secretary tell me where I could find Councillors' allowance in the

The Hon. Andrew Wells –

It should be in the Office of the Chief Secretary.

The Speaker –

It's in the Office of the Chief Secretary, Head 12, which has already been passed. There's a note on page 22.

The Hon. Rodney Buckley –

One final question, Madam Chairman, on the Finance Department. In the Other Expenditure they have provision for IT replacements of £85,000, but I notice in just about all of the Departments they have some figures in, some go to a few hundred to a few thousand, for computer replacements. What is the overall policy of Government and do the IT Section finance all the other Departments computer equipment requirements? Then there should be an offsetting income.

The Hon. Financial Secretary –

Madam Speaker, the IT Section within the Finance Department does have a budget to provide IT services to individual Departments. However, those Departments may subsequently choose to replace equipment by using their own departmental funds.

The Hon. Rodney Buckley –

Is that a policy, Madam Speaker, throughout the entire system now to allow Departments to do that? Would it not be right for the IT Section to decide when a computer needs to be replaced, not individual Departments, since they have to do the maintenance and everything else that goes with it?

The Hon. Andrew Wells –

Could I perhaps respond, Madam Speaker? The present situation is not entirely satisfactory because as a result of current practice different Departments can end up with different incompatible systems in different states of repair. We've recently had, or we still have actually, on island under the PSMP, an IT Specialist who has provided us with an outline of an IT strategy which would overcome this and the way that will work through into individual departmental budgets and into the IT Department will come out during this year during the course of the rolling forward our strategic plans, as part of rolling forward the strategic plans for an extra year. This year, the IT component will be proactively looked at rather than being dealt with on an ad hoc basis. I think the gentleman concerned gave a short presentation to informal Legislative Council recently if I remember correctly.

The Hon. Rodney Buckley –

Just for the interest of Members, Madam Speaker, there were £85,000 in Finance Department last year and there's £85,000 provisioned for the next three years for IT equipment, and like I said, most of the Departments have got something built into their budget for replacements or equipment.something that Honourable Members might want to keep in mind as we move along.

The Hon. Andrew Wells –

I think, Madam Speaker, that's quite valid and the whole point of having the IT Adviser from PSMP here is to make us look more proactively and consistently at what Departments do in terms of IT and that will actually go into the planning circular that issues shortly after this budget process to individual Departments, the conclusions of the IT strategy advice so we should have an up to date and modern approach to IT across SHG instead of the current ad hoc arrangements which don't always work very well.

The Speaker –

Any further questions on page 17, Finance?

Head 17, Finance - £1,961,110.

Question put and agreed to.

The Speaker –

I put the question that Head 18, Development and Economic Planning - £307,197 do stand part of the Bill.

The Hon. Cyril Gunnell –

Madam Speaker, I think it was pointed out that an amount would be in the DEPD for Miscellaneous Minor Works, I don't see it, can I be pointed to the line please where it says that?

The Speaker –

You can find it under Other Expenditure, but I'm sure the Financial Secretary will perhaps give us the figure.

The Hon. Paul Blessington –

Yes, Madam Speaker, it is included within Other Expenditure within DEPD's budget. The figure is £26,000 within that total.

The Hon. Cyril Gunnell –

£26,000?

The Hon. Paul Blessington –

£26,000.

The Hon. Stedson Francis –

Can I ask, was that the same as the last financial year?

The Hon. Paul Blessington –

Last year was £30,000, Madam Speaker. The figure does vary slightly from year to year but it's in the twenty to forty thousand range, but it will vary slightly from year to year.

The Speaker –

Any further questions on Development and Economic Planning?

The Hon. Rodney Buckley –

I see, Madam Chairman, the transport and plant costs, a depreciation of £75,000 for carnage. Can the Financial Secretary tell us what the position is with regards to depreciation of other plant and machinery now, because I don't see any in any other Department?

The Hon. Paul Blessington –

Madam Speaker, as the Honourable Councillor has identified, there are only a few line items within the budget where depreciation is applicable and this has been because of special agreements with DfID for certain pieces of equipment, carnage and generators being two of them. We would like to be able to identify depreciation on the costs of all our plant and equipment and assets, but under our current cash accounting system and DfID scheme of funding that is not possible, but that is something that I am working on and hope to be able to introduce in the new financial year, in 2011.

The Speaker –

Councillor Green?

The Hon. Anthony Green –

Madam Speaker, there's a consistent figure of £690,000 for payment to contractors. I wonder if that could be explained what that's for?

The Speaker –

Payment to contractors, £690,000.

The Hon. Financial Secretary –

Madam Speaker, I'm not clear exactly what the detail is but it's.....I beg your pardon, Madam Speaker, I can now clarify that it's £690 a year, not £690,000 and it is SHG's use of the ferry service.

The Hon. Bernice Olsson –

Just say that last, sorry, Honourable Financial Secretary, I missed that last bit you said, sorry.

The Hon. Financial Secretary –

The £690 is a payment for SHG's usage of the ferry service in James Bay, from the harbour steps.

The Hon. Bernice Olsson –

Is this when the RMS is in, you mean, it brings the crew ashore?

The Hon. Paul Blessington –

Madam Speaker, it's not specifically for the usage for the RMS, it would be for whenever, I believe, SHG officials need to use the ferry service. That could be for boarding yachts or for all manner of casual purposes.

The Hon. John Cranfield –

Harbourmaster.....

The Hon. Bernice Olsson –

Harbourmaster, right, thank you.

The Hon. Rodney Buckley –

Financial Secretary, are you telling us then that we, this Government pay for the service, the ferry service twice, because in that same budget you have £15,000 each year to pay for the ferry service and you're now saying that other contract is £690, which means are we paying for the service twice per week?

The Hon. Paul Blessington –

Madam Speaker, SHG provides a subsidy to the ferry service. Every user of the ferry service has to contribute a usage charge when they use it, so SHG would be no different from any other users – Solomons, the fishermen, every time we use it we would pay, but the taxpayer does subsidise about three quarters of the cost of the service, the rest comes from user charges that whoever pays.

The Hon. Cyril Gunnell –

What is Solomon's contribution and fishermen's contribution?

The Hon. Paul Blessington –

That, I believe, Madam Speaker, varies from year to year depending on how much they use the service, but the subsidy, the £15,000 subsidy is paid as a flat rate by SHG.

The Hon. Brian Isaac –

Madam Speaker, at the last line in the footnote it says that offset reduction with minor works projects £4,000. Is this minor works budget the Miscellaneous Minor Works budget or another minor works budget?

The Hon. Paul Blessington –

Madam Speaker, the Honourable Member has identified, yes, the £4,000 is related to the Minor Works budget, it's not a different one.

The Hon. Brian Isaac –

Not the Miscellaneous Minor Works?

The Hon. Paul Blessington –

Yes, it is the Minor Works Projects.

The Speaker –

Just for clarification, it is the Miscellaneous Minor Works budget, yes?

The Hon. Andrew Wells –

The actual heading in the blue book is Other Expenditure, Minor Works Projects, that's what it's titled in the blue book.

The Hon. Brian Isaac –

Because I understand that Miscellaneous Minor Works budget is to assist the elderly and disabled in having minor repairs to their homes?

The Hon. Paul Blessington –

Madam Speaker, that is, we are talking about the same thing, that money is also used to help people with repairs to their homes.

The Hon. Brian Isaac –

And can I ask why are we using this budget to subsidise the ferry service and this money is allocated for repairs to the elderly homes and the disabled. I'm not sure, but I stand to be corrected.

The Hon. Ken Baddon –

I think there is a misunderstanding, Madam Speaker.

The Hon. Stedson Francis –

There is a Minor Works budget and Miscellaneous Minor Works.

The Hon. Ken Baddon –

Summarising the effect of two different changes. One of the changes increases the figure, the other change reduces the figure. That doesn't mean to say that one istwo different changes whichtotal.

The Hon. Brian Isaac –

Thank you.

The Speaker –

Any further questions on Head 18?

Head 18, Development and Economic Planning - £307,197.

Question put and agreed to.

The Speaker –

I put the question that Head 19, Post Office - £139,099, do stand part of the Bill. Honourable Members have questions?

The Hon. Bernice Olsson –

Is there anything in here for door to door delivery? I mean, we've been asking for this for a few years now, door to door?

The Hon. Paul Blessington –

Yes, Madam Speaker, I can confirm that the Post Office budget does make provision for the introduction of a door to door delivery service.

The Hon. Bernice Olsson –

Where can I see the figure?

The Hon. Paul Blessington –

It will be included, obviously, in a, Madam Speaker, in a number of different areas of expenditure, obviously employees' costs will pick up part of it as would transport costs.

The Speaker –

Any further questions on Post Office?

The Hon. Anthony Green –

Yes, Madam Speaker, looking under the Finance Department before I thought Customs came in and showed as indirect taxation, but I see under the Post Office indirect taxes shows nothing and I'm wondering about revenue from duties on dutiable goods?

The Hon. Paul Blessington –

Madam Speaker, the Post Office does collect some duties on packages containing dutiable goods, but that tax is still shown within the Customs Department so it will become within Finance.

The Hon. Anthony Green –

Yes, I'm sure I have a question, but I probably need to follow that up later. Thank you.

The Speaker –

Any other questions on Post Office?

The Hon. Rodney Buckley –

Post Office charges under Supplies and Services, Madam Chairman, reduced from £20,000 to £15,000, good news, but can somebody say where that reduction comes from?

The Speaker –

Sorry, can you point me to that again?

The Hon. Rodney Buckley –
It's in Supplies and Services, Madam Chairman.

The Hon. Paul Blessington –
Madam Speaker, the reduction is due to a reduction in the cost of outgoing mail.

The Hon. Rodney Buckley –
Good news, a reduction in the cost of outgoing mail. Well, that must mean that there was less mail going out?

The Hon. Bernice Olsson –
Going out.

The Hon. Rodney Buckley –
Everybody use e-mails, well done.

The Hon. Andrew Wells –
Yes, it is due to lower levels rather than lower charges, yes.

The Hon. John Cranfield –
A question under Employee Costs, I see you've got a new budget line here for Wages, Full-time Staff, there wasn't any in the previous year's?

The Hon. Andrew Wells –
I think I can answer that. As a result of the Pay and Grading Review, we bring in the unestablished staff on to the same scale so you'll see that there is, in fact, a decrease in part-time staff wages from £11,000 to £2,000. So, basically, it's just been put across into the full-time.

The Speaker –
Any further questions on the Post Office?

The Hon. Cyril Gunnell –
Well, can I just ask the question now because I don't know when to actually ask it, but I'm just looking at some white papers I've been given now, apparently other people have these and I don't, but in this now there's a consistent figure for four years in a row, three years in a row of £8,548 for sabbatical leave. Now, just could I be told exactly what that is all about and why is it consistent anyway?

The Speaker –
I presume that is not under Post Office?

The Hon. Cyril Gunnell –
No, Madam, I just don't know when to ask it because these things are very confusing to me. It's just that I've seen this figure, I'd like to query it and I'm not certain when to query it so I'm querying it now. It says Sabbatical Leave, £8,548; it's for three years in a row.

The Hon. Andrew Wells –
Can I ask the Honourable Member if there's an indication on his piece of paper which Head of Expenditure he is referring to? I suspect the papers that he has maybe from the Blue Book

which he may not have received because of being away from island on duty. I think the figure in question probably is under HR, which is Head, which we've already passed, 13.

The Hon. Cyril Gunnell –
So have I missed it then?

The Speaker –
No, I have no objection to you asking your question at all, Honourable Member.

The Hon. Cyril Gunnell –
I was just wondering about the same figure for four years in a row, I just wonder why any figure should be the same for four years in a row and it just happened to be Sabbatical Leave, £8,548.

The Hon. Paul Blessington –
Madam Speaker, the figure which is being referred to under the Human Resource budget is the same in future years, because it is simply an estimate, a prediction, sabbatical leave is not something that you can be absolutely certain who is going to be taking it when, so it's just our most reasonable estimate of the figure.

The Hon. Cyril Gunnell –
So what does it relate to?

The Hon. Paul Blessington –
Sabbatical leave.

The Hon. Cyril Gunnell –
No, I mean why eight thousand whatever it is, how is that figure made up?

The Hon. Paul Blessington –
It's based on the actual figure incurred in the previous year so it's been rolled forward and estimated in future based on historic actual.

The Hon. Cyril Gunnell –
So what does it pay for, you haven't told me yet?

The Hon. Andrew Wells (Chief Secretary) –
It pays for officers within SHG to go on sabbatical leave.....

The Hon. Cyril Gunnell –
.....cost?

The Hon. Andrew Wells –
For passages and allowances, yes.

The Hon. Cyril Gunnell –
What officers are eligible for that?

The Hon. Andrew Wells –

It's, thank you, just consulted with Head of OCS and it is, in fact, open to all Heads of Department, I wasn't quite sure of that and if a Head of Department doesn't wish to or hasn't time to use it, then it can be used by other senior staff within the Department, subject, of course, to there being an actual benefit to be gained from it from training overseas.

The Hon. Cyril Gunnell –

I don't want to prolong this, but as I'm looking at page 23 now, Human Resources, under which line would I find that?

The Hon. Andrew Wells –

That comes under Employee Costs.

The Hon. Cyril Gunnell –

Okay, so it's in there somewhere.

The Hon. Andrew Wells –

It is. The breakdown between salaries, allowances, sabbatical leave, part-time staff and so on is given in the Blue Book.

The Hon. Brian Isaac –

Madam Speaker, can I just ask what level would be entitled to qualify for sabbatical leave if it's not used by the Head of Department?

The Hon. Andrew Wells –

Well, I understand that normally it would be the Deputy Head or the next level down, at least a Section Head.

The Hon. Brian Isaac –

Thank you.

The Hon. Bernice Olsson –

Madam Speaker, can I just ask how often do they have sabbatical leave, is it once a year or every two years, how often is sabbatical leave given to these Heads of Department?

The Hon. Andrew Wells –

In theory, once every five years, but that would be a maximum. In practice, it is actually difficult within these limited resources and given the fact that there is a lot of work going on on island it's quite often difficult to release a Head of Department for sabbatical leave, but we do encourage senior members of staff to get as much international exposure as is practical within our limited resources.

The Hon. Bernice Olsson –

Thank you. Madam Speaker, can I just say something? There's something moving above us, we are safe sitting here, aren't we, I can hear some rumbling going on? It's the speakers?

The Hon. Cyril Gunnell –

Just so I don't forget as I come to the end, can we return to something like this, please, rather than something like this?

The Hon. Andrew Wells –

Well, I think, as I've said already, Madam Speaker, while we're going to continue to refine and modernise the presentation of the budget documents, as the Financial Secretary has indicated, there will always be, whatever the final form is for presentation and for modernisation purposes, there will always be a full set of these papers available every year to Members and if the Honourable Member concerned did not receive his papers, because he was away on leave, then I apologise if he was not forwarded a full set upon his return, which is what should have happened.

The Speaker –

Any further questions?

The Hon. Anthony Green –

Yes, Madam Speaker, I saw before and I keep referring to previous for information, that the Customs are going to have a new scanner in about three year's time, but because the money that's come from the Post Office Customs income goes into those fees as well, I'm wondering why we have two different systems of checking where you don't seem to have a scanner, unless you have one, or a replacement one, so, in fact, there might be quite a lot of extra revenue to be gained by being more observant, not that I personally would welcome that, but it does seem to leave an opening whereby if you sent it through Post Office it's available to you to not checked?

The Hon. Paul Blessington –

Madam Speaker, I'm advised by the Postmistress that the Post Office does have a scanner as well as the Customs scanner, so I'm sure that there won't be too many parcels that are slipping through the net uncaught.

Head 19, Post Office - £139,099.

Question put and agreed to.

The Speaker –

I'm going to ask the Honourable Attorney General why I have Head 20, Pensions and Gratuities and it doesn't appear as a Head anywhere on Expenditure?

The Hon. Ken Baddon –

I had a feeling someone would ask that, Honourable Speaker, so I do have the answer to hand.

The Speaker –

Thank you.

The Hon. Ken Baddon –

Pensions and gratuities are automatically charged from the Consolidated Fund by the Pensions Ordinance and do not therefore need to appear in the Appropriation Ordinance.

The Speaker –

Thank you. Okay, it doesn't mean that they're not going to get paid in that case. So we move to Head 22 and that also raises a little question in my mind how we go from 19 and miss out 20 and then we don't have a 21, but I won't dwell on the fact that there's no 21.

Head 22, I put the question that Head 22, Education - £2,066,620, do stand part of the Bill. Honourable Members no doubt have some questions about the Education?

The Hon. Derek Thomas –

Madam Speaker, can I ask that this £33,000 for an escape route at Pilling School, I wouldn't want to see the children deprived of public safety, but I'm also mindful of efficiency and efficiency savings. Seeing that there's £2.2m for Jamestown Rockfall Protection, is this escape route really necessary in light of the Jamestown Rockfall Protection?

The Hon. Ken Baddon –

While we're waiting for the formal answer, Madam Speaker, it occurs to me that in fact rockfall is not the only risk. Were there to be a road traffic accident outside Pilling School, how would the children get out and the idea is to provide an emergency exit from the opposite side of the playground.

The Hon. Bernice Olsson –

Madam Speaker, can I just say something?

The Speaker –

Shall we just wait, perhaps, as there will be a response from the Financial Secretary.

The Hon. Paul Blessington –

Madam Speaker, yes, I was just conferring with the Head of Education. The escape route is necessary as an alternative in case of damage from rockfall, for example. The £33,000 included in the Estimates document was an initial costing and the Head of Education advises that the eventual cost is likely to be less than the £33,000 in there.

The Hon. Derek Thomas –

Can I ask how much less, Madam Speaker?

The Hon. Andrew Wells –

We can't say for certain at this time, Madam Speaker, it's prudent to put in sufficient.

The Hon. Bernice Olsson –

No, I was just going to say, Madam Speaker, that Public Health went and had a look at the Pilling School escape and it's just a mean of knocking a wall down and putting a door in and I can't see that costing £33,000. Somebody somewhere along the line has gone a bit over the top. I don't know if you.....it's just a matter of putting some steps and a door, isn't it?

The Hon. Cyril Gunnell –

It's making a hole in two walls, putting in two flights of stairs and putting in two doorways and some of those bars that when you push against it the thing sort of opens up, I don't know why it should cost £33,000, but there you go.

The Speaker –

Honourable Financial Secretary?

The Hon. Paul Blessington –

Madam Speaker, the Chief Education Officer advises that the original escape option, which has been costed fair, was quite a more sophisticated route involving a bridge option, but

subsequently it looks as though we should be able to have a simpler escape option that should be substantially less expensive and, indeed, once we've got the updated costings I can advise Councillors to what the latest estimate is likely to be.

The Hon. Anthony Green –

Madam Speaker, just, sort of, in my capacity of Chairman of the Education, I think I will just comment on that, but I think the Honourable Attorney General made a point this morning, there are a lot of grey lines that need to be either white or black and I, myself, have already raised the question with the Chief Education Officer about how it would cost £33,000 for an escape route and we are very mindful that we should be spending the minimum, but we do, as a Committee, would want for there to be an escape route, but one that costs £33,000 would be kind of ridiculous.

The Hon. Raymond Williams –

Madam Speaker, £180,500, payment to contractors. Can I ask what that is for, please?

The Hon. Paul Blessington –

.....figure is for the school bus service.

The Hon. Raymond Williams –

Thank you.

The Hon. Rodney Buckley –

Madam Speaker, yes, the administration charges, Support Services, have come down in Education and one would expect it to go up, not come down, we want to educate our children, and overall, I note that their budget, the Education budget, has only increased by £83,811 for 2010/11 against last year 2009/10. Not a lot of increase, Madam Chairman, when you consider that we need to increase our education for the kids, but what is the Support Services, why is that less, that is actually £7,000 less than last year and it's £7,000 less for every year thereafter?

The Hon. Paul Blessington –

Madam Speaker, the reduction in Supplies and Services is actually due to just a reallocation within that line of the Education budget rather than being an overall reduction, it's just a reallocation between lines of the budget.

The Hon. Andrew Wells –

I could supplement that, Madam Speaker, on the same point?

The Speaker –

Sorry, I think the Chief Secretary first.

The Hon. Andrew Wells –

I think when you again look to the detail you'll find that some of the more important areas that we're interested in in promoting in education now, such as, for example, distance learning and computer, there are significant increases, there's an increase in computer consumables of about fifty percent and there's an increase in distance learning from £17,000 to £25,700, so for certain things we are actually spending considerably more and the others represent administrative variations, the apparent decreases.

The Hon. Rodney Buckley –

I would not call, Chief Secretary, £83,000 a significant increase in our Education system, it's an increase, thank you very much, but I would not regard that as a significant increase.

The Hon. Andrew Wells –

I agree.....

The Hon. Rodney Buckley –

And if I might add, Honourable Chief Secretary, that include the £33,000 for the fire escape.

The Hon. Andrew Wells –

I think, on a more general point, and I share the Honourable Member's point of view, but the Financial Secretary may wish to make a general point on that.

The Hon. Paul Blessington –

Madam Speaker, I'd just like to draw attention to the fact that expenditure in the Education Department for 2010/11 compared with the previous year 2009/10 has actually seen quite a significant increase in the order of £400,000 rather than £83,000.

The Hon. Andrew Wells –

Yes, what I was doing, Madam Speaker, was just drawing attention to one or two of the small areas where there have been significant increases and the Financial Secretary has now clarified that the total budget has also had a 25% or more increase, but, of course, there may be some areas which stay fairly similar.

The Hon. Rodney Buckley –

But that don't gel with the detail, Chief Secretary. Last year's total expenditure for the Department, 2009/2010 was £1,639,809 and on the detail for this current expenditure for 2010/11 it's £1,723,620, it's a considerable difference to the pink book.

The Hon. Paul Blessington –

Madam Speaker, what we have, the blue books that were distributed which show the detail of the original budgets as put together were prior to the DAPM settlement and the Aide Memoire, which was negotiated by the Councillors with the DfID Team and to the extent that we got some one-off additional funding as a result of the DAPM settlement, that has been reflected in the total shown in the pink book, so the original budgets are what you see in your blue book and then the addition of the DAPM settlement figures is included in the totals in the pink book.

The Hon. Andrew Wells –

Could I add to that, Madam Speaker?

The Hon. Rodney Buckley –

Alright, Madam Speaker, I now get it, that additional payments by the DAPM visit has now been transferred to the recurrent budget.

The Hon. Andrew Wells –

Yes, if I may, Members may recall something called Core Initiatives covering things like broadband and all sorts of things like that, those couldn't be put into the original budget because we didn't have any idea at that stage how much we could negotiate with DfID, so we

talked to them about the Core budget on the one hand and then the Core Initiatives which they agreed to, which was not all of them, but which was many of them, then had to be added in for Members' approval for appropriation.

The Hon. Derek Thomas –

Yes, can I ask the Financial Secretary that would he consider that any savings made from the escape route at Pilling School support the revenue, the increases that Members have raised concern, that will affect the vulnerable and poorest of the people?

The Hon. Paul Blessington –

Madam Speaker, I believe that the savings made within a Head are required initially to stay within that Head of Expenditure. I think it would be up to Council subsequently to decide on priorities and reallocation between Heads, but I can't give that assurance at this stage.

The Hon. Andrew Wells –

If I could add a word to that, Madam Speaker, under the new Constitution, as Honourable Members are aware, a Special Warrant can be raised to transfer money from one Head to another, or that was the case before, but now that actually requires the approval of the Executive Council, so when we have gone through the strategic planning process rolling forward exercise later in this year, but still in the first half of this year, we'll be in a position to see what resources and how much resources should and can be transferred from one place to another and if Councillors agree that that should be done, having looked at the entire package, then it will be possible for them to authorise the signing of a Special Warrant to put that into effect.

The Hon. Derek Thomas –

Thank you, Madam Speaker.

The Hon. Rodney Buckley –

Yes, thank you, Madam Speaker, I appreciate the difference now and the Core budgets are specific projects for the school, for the Education system, I'd just like to make the point that £50,000 in the day to day Support Services, in my view, is not a lot to educate our children, so we just need to be careful about not cutting back on our Support Services for the Education system. Thank you, Madam Speaker.

The Speaker –

No further questions?

Head 22, Education - £2,066,620.

Question put and agreed to.

The Speaker –

I put the question that Head 23, Public Health and Social Services - £3,449,423, do stand part of the Bill. Honourable Members have any questions on page 41 of the pink book?

The Hon. Rodney Buckley –

Yes, one jumps out there, Madam Chairman. Under Employee Costs for Allowances, estimate for 2009/2010 - £59,405; revised estimate 2009/2010 - £82,313 and estimate for

2010/2011 has dropped to £59,000. Can the Financial Secretary explain the drop in allowances and what allowances, please?

The Hon. Financial Secretary –

Well, Madam Speaker, the increase that the Honourable Member refers to in 2009/10 referred to an Acute Nursing Allowance that was brought in and that subsequently that is going to be incorporated as part of the Pay and Grading Review that will be in the funding that is currently shown in the Finance Department for allocation out to Departments.

The Speaker –

Any other questions, Honourable Members?

The Hon. Rodney Buckley –

Good to see the one Department, Madam Speaker, Financial Secretary, reducing their transport costs by £7,000, let's hope all the other Departments can do the same.

The Hon. Paul Blessington –

Madam Speaker, I can only concur with the Honourable Member's sentiments.

The Speaker –

Any other questions?

The Hon. Bernice Olsson –

Can I just ask, what is Fines and Fees?

The Speaker –

Fines and Fees?

The Hon. Bernice Olsson –

Yes.

The Speaker –

Fines and Fees etc, under Revenue.

The Hon. Ken Baddon –

Madam Speaker, I happened to notice it earlier today that the very last page, page 61, gives a summary on a white page of the various categories and it says that Fines, Fees, etc means medical and hospital, Post Office charges, Immigration Ordinance fees, Vehicle Inspection fees.

The Hon. Bernice Olsson –

Oh, thank you.

The Hon. Raymond Williams –

Medical Referrals, Madam Speaker, £66,000, it seems a very low figure.

The Hon. Paul Blessington –

Madam Speaker, the figure is an increase in medical referral fees; it's not the total for medical referrals.

The Hon. Rodney Buckley –

What is the reduction in Support Services please, from £358, 000 down to £324,000?

The Hon. Paul Blessington –

Madam Speaker, this is due to internal recharges within the Department.

The Speaker –

Honourable Members have any other questions on Head 23?

Head 23, Public Health and Social Services - £3,449, 423.

Question put and agreed to.

The Speaker –

I put the question that Head 24, Employment and Social Security, £1,905,662, do stand part of the Bill. Honourable Derek Thomas?

The Hon. Derek Thomas –

Can I, Madam Speaker, ask if the additional £150,000 to support the Welfare Benefits initiative, will this cover other persons outside of the Income Related Benefits system, such as low pensions and low wages, how would this money be spent, Financial Secretary?

The Hon. Paul Blessington –

Madam Speaker, the precise distribution of that £150,000 is yet to be determined so I cannot say with any surety at this stage whether it will be related only to those on Income Related Benefits or wider spread than that.

The Speaker –

Is that because there's a review going on at the moment?

The Hon. Andrew Wells –

Well, we have a Welfare Finance Adviser, as Honourable Members know, currently on island. I'm sure that both his advice and that of the relevant Committee would be taken into account in finalising the matter.

The Hon. Derek Thomas –

I understand it is the practice that those persons with Income Related Benefits get paid Easter bonus and a Christmas bonus, has this money been provided for in the budget for the next financial year, Financial Secretary?

The Hon. Paul Blessington –

Madam Speaker, I was just confirming with the Head of the SSD that, yes, there is a provision within the budget for those Christmas and Easter bonuses to be made available.

The Hon. Derek Thomas –

Can I ask at what level, Madam Speaker?

The Hon. Paul Blessington –

I understand, are you talking in total or per person?

The Hon. Derek Thomas –
Per person, how much per person.

The Hon. Paul Blessington –
I will just confirm. Madam Speaker, it will be allowed for at the rate of £20.00 per person for Easter and Christmas bonuses.

The Hon. Anthony Green –
Madam Speaker, as my Committee has adopted this orphaned child called “Employment” without too many identification papers; could the Financial Secretary tell me what money in here relates to employment activity?

The Hon. Paul Blessington –
Madam Speaker, could the Honourable Member just repeat the question, I’m not quite sure I understood?

The Hon. Anthony Green –
The Head deals with Employment and Social Security. I’m trying to identify what money relates to the employment aspect of the operation.

The Hon. Paul Blessington –
Right. Madam Speaker, the employment component is for £95,000 for the Community Work Fare Scheme and Training Programme.

The Hon. Andrew Wells –
Could I perhaps add to that briefly that obviously a proportion of employee costs, property costs, supplies, services, admin costs could also be assigned to Employment and in order to make the distinction in a scientific way we will need to have the functional analysis done of this Department which we will proceed with.

The Hon. Derek Thomas –
Can I ask, Madam Speaker, that, I understand there is a system in place for five-day work and receive three days pay, is that the, the Department propose for that to happen in the next financial year?

The Hon. Paul Blessington –
Madam Speaker, the Community Work Fare Programme is a benefit that is paid for five days work per week, not for three days and it will be continuing throughout the year.

The Hon. Derek Thomas –
Excuse me, when you say five days, I understand that the current system is that those people on that Scheme work five days and get paid thirty odd pounds a week, is that calculated for five days pay or two days pay?

The Hon. Paul Blessington –
Madam Speaker, the training component is for five days and it is £40.00 per week.

The Hon. Derek Thomas –
Would the Financial Secretary not agree that expecting some people to work five days for £40.00 a week is far below acceptable standards in this day and age?

The Hon. Paul Blessington –

Madam Speaker, I understand the Honourable Member's points, but it is a training programme that is designed to help these people to resume full-time working in the workforce, so it is a training programme rather than a working wage.

The Hon. Derek Thomas –

Can I ask that at the end of the training programme are steps taken for those persons to receive proper full-time employment?

The Hon. Paul Blessington –

Madam Speaker, I understand the answer to that is yes.

The Hon. Derek Thomas –

And how long was they engaged in the training programme before they obtained full-time employment, Madam Speaker?

The Hon. Paul Blessington –

The training programmes run for six months.

The Hon. Derek Thomas –

Thank you, Madam Speaker. I raised this because those persons that comes under this Scheme felt that they're being used as opposed to training. They welcome the training, but for five days work on £40.00 a week, they feel that it's an abuse of the system.

The Hon. Cyril Gunnell –

Madam Speaker, rather than it being actual wage, it's a benefit rather than a wage and that is the difference between being paid for a day's work and actual benefit that you are receiving. The benefit will help people to go into full-time employment if they actually reach the criteria and, of course, employers accept them. This is the difficulty also. So it's a benefit, that's the distinction, it's a benefit rather than a wage.

The Hon. Derek Thomas –

It's not seen as that, Madam Speaker, those people, they've been to see me and a lot of people are very concerned about that. They welcome the training and work experience, but they're concerned about the £40.00. They're willing to work, they want full-time work, but not on £40.00 a week.

The Hon. Cyril Gunnell –

Some people have been there for many years and have never been able to actually be accepted by anybody at all as someone they want to work for them.

The Speaker –

Any further questions?

The Hon. Rodney Buckley –

Madam Speaker, I can't resist commenting that if all our Departments had no inflation rate we would be alright, because this Department, transport and plant costs have no inflation and neither do they have any inflation on administration costs in your pink paper for the next three years, so well done to the Department, keep the inflation rate down.

Head 24, Employment and Social Security - £1,905,662.

Question put and agreed to.

The Speaker –

Honourable Members, we will take a short break at this point. We will resume at ten past three by this clock. Thank you.

Council adjourned.

Council resumed.

The Speaker –

Thank you, Honourable Members. I put the question that Head 25, Agriculture and Natural Resources - £1,456,703, do stand part of the Bill. Any Members have questions?

The Hon. John Cranfield –

Yes, Madam Speaker, under the Property Costs, it says increase due to increased budgetary provision for upgrading agriculture buildings; does that come under Property Costs 22101, Building Maintenance?

The Hon. Paul Blessington –

Madam Speaker, yes it does.

The Hon. John Cranfield –

Because the £121K doesn't add up. £22,000 and £121,000 only adds up to £143,000, so I see they've got £152,200 and then it says in 2010/11, 2011/12 is £12,000 and £9,000, but it's come down in those two years from £152,000 to £128,000, so I have a problem figuring out the figures.

The Hon. Paul Blessington –

Madam Speaker, I might just need a couple of minutes to verify what the answer to that query is.

The Hon. John Cranfield –

No, I just thought I'd bring it up.

The Speaker –

Right, Honourable Financial Secretary?

The Hon. Paul Blessington –

Madam Speaker, I don't think there are any over errors in the numbers, but there is a large building maintenance component in the Property Costs for 2010/11 which is £152,000 dropping to £28,000 and £27,000 in the subsequent two years, so the significant discrepancy in the budget lines over the three years is largely due to building maintenance provision on certain agricultural buildings in 2010/11.

The Speaker –

Honourable Derek Thomas?

The Hon. Derek Thomas –

Can I ask the Honourable Financial Secretary, Madam Speaker, there's £175,000 for Pasture Clearance, is that strictly for pasture clearance or will it include agricultural land clearance as well for farmers?

The Hon. Paul Blessington –

Madam Speaker, I will just take some advice. Madam Speaker, I can confirm that that figure is wholly for pasture clearance and that agricultural land would be under a different heading.

The Hon. Derek Thomas –

Can I ask if funding will be available to support farmers to clear and work agricultural land?

The Hon. Paul Blessington –

Madam Speaker, Head of A&NRD advises me that a policy will be under development next month for providing assistance for clearance of agricultural land.

The Speaker –

Thank you, Madam Speaker.

The Hon. Bernice Olsson –

And, Madam Speaker, it goes up £197,000 to 2011/12 for clearances, is that the.....an increase in agricultural subsidies. I'm confused with this book.

The Speaker –

Sorry, are you looking at the pasture clearance or the.....

The Hon. Bernice Olsson –

Well, I looking at it now, £197k 2011/12, is that for pasture or is that for subsidies?

The Speaker –

That's still the pasture clearance, the figure 2010/11 is £175k and then 2011/12 is £197k and then the next figures are the increases in agricultural subsidies in the following bracket.

The Hon. Bernice Olsson –

What do they have subsidies for?

The Hon. Paul Blessington –

Yes, Madam Speaker, the Honourable Councillor Bernice Olsson is correct in that the pasture clearance programme is a multi-year programme and it includes £175k in 2010/11 and £197k in 2011/12.

The Hon. Bernice Olsson –

Madam Speaker, can I just ask does this pasture clearance include, I keep hearing complaints about the Whiteweed, how it's overtaken the island?

The Hon. Paul Blessington –

Madam Speaker, I can confirm that the pasture clearance covers all invasive and alien species.

The Hon. Bernice Olsson –
Thank you.

The Speaker –
Councillor Thomas?

The Hon. Derek Thomas –
Can I ask, Madam Speaker, what is the increase in the Transport Costs?

The Hon. Paul Blessington –
Madam Speaker, the increase in transport costs shown in the Estimates was because the Department thought it was going to have to hire in additional transport from the private sector, but with the buy out of home to duty transport now being included into salaries, that figure is likely to reduce I'm advised.

The Hon. Bernice Olsson –
Can I just ask about Supplies and Services 2010/2011 going to £158,000 from £111,462, Supplies and Services, what's that?

The Hon. Paul Blessington –
Madam Speaker, the increase in Supplies and Services in the year 2010/2011 which increases from £111,000 outturn this year to £158,000 is largely due to the purchase of polytunnels, £53,000 worth which are to create at least two additional, local, arable production units.

The Hon. Bernice Olsson –
So will A&NRD be doing or will this go to the private sector?

The Hon. Paul Blessington –
Madam Speaker, the new infrastructure will be going to support the private sector.

The Hon. Rodney Buckley –
Madam Speaker, there's no payment in there to St. Helena Fisheries Corporation for this past year, but there's a provision for the next three years of £25,000, £26,000 and £27,000, can the Treasurer say what that is for please?

The Hon. Paul Blessington –
Madam Speaker, it's as a result of a budget transfer of the funding for the Fisheries Corporation which was in the Finance Department but in future years is being transferred to A&NRD.

The Hon. Bernice Olsson –
Can I just ask, it says Payments to other Agencies, bodies or persons, gone from £25,000 to £211,000, can you just explain that to me please?

The Hon. Paul Blessington –
Madam Speaker, as was discussed a short while ago, that funding is for the pasture clearance which is a two-year programme.

The Hon. Bernice Olsson –
Oh, I see.

The Hon. John Cranfield –

Sub-head 108, Expenses. It just says Expenses, what expenses are those, under Other Expenditure, sorry?

The Speaker –

Sorry, could you say the sub-head again?

The Hon. John Cranfield –

Sorry, sub-head 27108.

The Hon. Paul Blessington –

Madam Speaker, that figure refers to a payment for vessel monitoring, Fisheries expenditure for monitoring of the Argos vessels and we get an equivalent amount back as a reimbursement.

The Hon. Derek Thomas –

Excuse me, can I ask the equivalent amount from where?

The Hon. Paul Blessington –

Madam Speaker, that figure is in the line Earnings from Government Departments and it's reimbursed to us by Argos.

The Hon. John Cranfield –

Did you say its Earnings from Government Departments, because earnings from Government Departments say Sale of Firewood, Sale of Timber Logs and Sale of Poultry and Eggs.

The Hon. Paul Blessington –

Madam Speaker, the Honourable Member is quite right that Earnings from Government Departments does include things such as Sale of Firewood, but it also accounts for the provision of other Government services, in this case, inspection services and monitoring.

The Speaker –

Any further questions on Agriculture and Natural Resources?

The Hon. John Cranfield –

But it specifically says sale of, sale of, sale of?

The Hon. Paul Blessington –

Madam Speaker, I understand that the Argos reimbursement is actually in Treasury receipts as 24612 and I stand corrected that it wasn't in Earnings from Government Departments. It's two lines down, it's in Treasury receipts.

The Hon. John Cranfield –

Okay, thank you.

The Speaker –

Do Honourable Members have any further questions on Head 25?

Head 25, Agriculture and Natural Resources - £1,456,703.

Question put and agreed to.

The Hon. Cyril Gunnell –

Madam Speaker, before moving on to the next Head, could I just make a point of general observation, if that's what you call it, and I mean I wasn't on Council last time, so maybe things were different, but I notice now the Honourable Financial Secretary is answering the questions and not the Chairman of the Department, whereas it used to be the Head of Department would support the Chairman and so what's changed and why has it changed?

The Hon. Ken Baddon –

Well, what's changed, Madam Chairman, is that there's no longer a direct link between a Committee Chairman and any one Department, we have eight Committees rather than the previous five and there is no direct link between one Chairman and one Head of Department, so it would be impractical to have the Chairman answering because he would have two new Heads of Departments answering and all the work of collating the Estimates is under the control of the Financial Secretary anyway, so it does seem to me logical that the Financial Secretary should be answering the questions.

The Hon. Cyril Gunnell –

I don't know whether that's good or whether that's bad and whether that takes some responsibility away from the Councillor, whichever Councillor that supposed to be.

The Hon. Andrew Wells –

I don't think it takes any responsibility away. I think there are a couple of points, if I may, Madam Speaker. The first, as the Honourable Attorney General has said is that there is no longer a direct one on one Department/Committee relationship, and, indeed, as we reorganise the Departments over the course of this year, that will become even more the case than it is already, but already we have fifteen Departments, different bits of which respond to eight different Committees. It's also normal in most jurisdictions, even the most democratic, for the Financial Secretary to defend his own budget, and, thirdly, I should say that when this Council, the newly-elected Council, the relatively newly- elected Council has been through the planning process for this year, which I've referred to before earlier today, then, of course, it might be an opportune moment to review how different matters are presented at formal Council. I offer that only as a suggestion, because at that stage, Members will have obviously been involved, which they were not on this occasion, in the background planning and strategic planning that informs the budget process, and, indeed, the earlier parts of the budget process itself, so just a few observations, Madam Speaker.

The Hon. Cyril Gunnell –

I'm just generally concerned about this de-linking.

The Speaker –

Perhaps something, Honourable Member, that you will want to raise fairly soon in informal LegCo setting to just discuss generally and establish the way forward.

The Hon. Cyril Gunnell –

I'll do that, Madam Speaker, and maybe I'll touch on it in adjournment debate as well.

The Speaker –

I put the question that, sorry, I have finished Head 25, haven't I, I put the question that Head 26, Public Works and Services - £3, 934,464, do stand part of the Bill. Head 26 is on page 47. Honourable Members have any questions?

The Hon. Derek Thomas –
Yes, Madam Speaker.

The Speaker –
Honourable Derek Thomas?

The Hon. Derek Thomas –
Will the Financial Secretary consider looking at the increase in transport for Public Works and Services, £18,000, when from 1st April employees are expected to find their own transport to and from work, why is it necessary for a further £18,000 for increase in transport, Financial Secretary?

The Hon. Paul Blessington –
Madam Speaker, I can only say to the Honourable Councillor that we would have to look at the reasons why PWSD require an increase in their vehicle fleet and transport charges, but I don't think it will be as a result of the changes from 1st April where unestablished staff will receive a payment included as part of their salary to cover their transport, home to duty transport arrangements, so any increase in that transport line will be for other PWSD vehicle requirements.

The Speaker –
Honourable Members, I have just asked the Clerk to make arrangements for the Head of Public Works and Services Department to join this meeting; it is customary for the Head of Department to be on hand to assist with the responses on the questions, I hope he'll be here shortly.

The Hon. Andrew Wells –
Yes, can I apologise, Madam Chairman, that the Head of Department is, for some reason, not present.

The Hon. Cyril Gunnell –
Oh yes, to support that, that will be rather useful since maybe whether we support the budget or not depends on knowing what the answer to that particular question is.

The Hon. Andrew Wells –
A very fair point, Honourable Member.

The Speaker –
Councillor Francis?

The Hon. Stedson Francis –
Yes, Property Costs, it says "includes increased maintenance budget for drainage and roads £62k, £157k" etc, my query, it says, "offset by reduced internal electricity charges for Power Station usage £74,000 per annum". I wonder if that could be explained. What is that reduced internal electricity charges for Power Station?

The Hon. Paul Blessington –

Madam Speaker, the reduced internal electricity charges for the Power Station refers to power which the Power Station itself consumes in operating and that had been overestimated and therefore has been corrected in the current year, so there is a reduction being shown in that line, but it's not, if you like, anything to do with the other Property Costs, it is that the reduction is purely power being consumed by the Power Station for its own operation.

The Hon. Stedson Francis –

Are you saying this overestimated by £74,000 per annum?

The Hon. Paul Blessington –

I understand that that's right, yes.

The Hon. Stedson Francis –

When we increased the electricity charges some while back those charges were calculated by including those extra Power Station charges, so were those electricity charges calculated on incorrect information, in which case tariffs could have been cheaper?

The Hon. Paul Blessington –

Madam Speaker, we would have to have a look at the basis on which power charges were calculated, I cannot give a complete answer to the Honourable Member at this time.

The Speaker –

The Head of Department, I'm advised, is on his way, so.....

The Hon. Andrew Wells –

Right, I think I should just stand on that, but the £74,000 one way or the other wouldn't have made a very significant difference in percentage terms to the charges, especially as the charges, as we know, only go a small way to recovering cost, so the impact would have been marginal. Where there has been an overestimation or underestimation that would be taken account of in the next examination of power charges. It wouldn't be a material factor.

The Hon. John Cranfield –

Can I seek clarification on something, Madam Speaker, and going back to Transport and Plant, I'm somewhat confused now. Under Police, it says Transport and Plant reduces from 2010/11 due to a reduction in vehicle hire charges and now under Public Works and Services Department it says Transport and Plant increases due to increased vehicle hire charges.

The Hon. Andrew Wells –

You've planned your question very well, Councillor.

The Hon. John Cranfield –

Where are we?

The Speaker –

We do now have the Head of Department here who.....

The Hon. Cyril Gunnell –

Well, just to follow on from that is also a reduction in the Public Health and Social Welfare Head of £7,000 and just to take the same line, that's £15,000.

The Hon. Ken Baddon –

Madam Speaker, on this, we did find earlier, I think there may be a misunderstanding in the minds of some Councillors. When in the Government Estimates there is a reference to Transport Charges, it is a reference to the total amount to be spent by that Department on transport hire during the year, it's nothing to do with whether a car costs £1.00 a day or £20.00 a day, it's simply the total figure which that Departmentexpects to spend in the year on hiring vehicles.

The Hon. Derek Thomas –

Can I ask a question, Madam Speaker?

The Speaker –

I think, yes, we're going to get ourselves really confused because we've got a couple of questions.....

The Hon. John Cranfield –

I was just going to say, point taken, but what it's saying in here, one head says a reduction in hire charges and the other one saying an increase in hire charges.

The Speaker –

I'm sorry, are you looking at the big folder showing one thing, but the actual pink document showing the opposite?

The Hon. John Cranfield –

No, I'm referring to the pink document.

The Hon. Paul Blessington –

Madam Speaker, I think I can answer the Honourable Member's query. As the Attorney General pointed out, the total line for hire charges spent by a Department may go up or down. The price of the vehicle hire per day may have gone up, but the number of days that it's hired for maybe lower and if the reduction in consumption is greater than the increase in the daily rate, the total hire charge will be less. If they consume more or the increase in the daily rate is greater than any reduction in consumption, the total vehicle hire charge line will go up. That's the reason, so it's linked just as much to consumption or use of hire vehicles as it is to their daily rate.

The Hon. John Cranfield –

That's what I was going to suggest, Madam Speaker, that the wording should be vehicle usage or vehicle hire charge. The hire charge is the amount that you pay for the use of your vehicles. The usage is completely different, so there should be a distinction between the two, because it can get confusing.

The Speaker –

Perhaps the Honourable Financial Secretary will take onboard that comment when looking at the actual wording that's used to describe

The Hon. Paul Blessington –

Madam Speaker, we will attempt to use clearer terminology next budget.

The Hon. John Cranfield –

Thank you very much.

The Speaker –

Now, do we need, I just need clarification, do we need to go back to a couple of the earlier questions, now that we have the Head of Department.....

The Hon. Derek Thomas –

I would like to clarify my question and my question was why is the need for the increase in vehicle hire charges of £18,000.

The Hon. Andrew Wells –

Madam Speaker, can I attempt to answer that, having spoken to the Head of Department? Members are aware that there is a major increase in our Infrastructure Development Plans approved by DAPM, specially in Water, Electricity and Roads and the increase reflects the additional costs of vehicles required in that regard, specifically one new vehicle has been required for Energy and another for Water and Roads. It isn't cars only, this is JCBs and other plant as well, so because of the major increase in Infrastructure spend, approved by DAPM, there is a notable, but one hopes temporary, increase in the genuine requirement for usage as full cost, but it would have to be carefully monitored.

The Hon. Derek Thomas –

Will this also include, I think you might have said this, Chief Secretary, I might have missed it, I apologise if I did, but will this also include the cost of hire drive vehicles from the private sector?

The Hon. Andrew Wells –

That's my understanding.

The Speaker –

Councillor Buckley?

The Hon. Rodney Buckley –

Yes, would the Financial Secretary not agree that such charges are good accounting if it was charged against the project costs and not against the Department's recurrent costs? When a project is approved, that is included in the project costs, surely?

The Hon. Paul Blessington –

Madam Speaker, I would certainly be happy to look at alternate and improved ways of monitoring our project costs and getting all the costs associated with projects into their right categories, but at the moment the accounts have been put together on the normal basis that has been used, I believe in previous years, so I would be happy to look at that, but I think what we've got at the moment has been historic practice.

The Hon. Rodney Buckley –

It just reinforces my point, Madam Chairman, in my budget response, that I believe that a lot of the budget lines in this budget was put together on business as usual and we will have to deal with that, Madam Speaker, and I urge my colleagues to join me as we go through the next couple of months to sort some of this out.

The Hon. Andrew Wells –

Madam Speaker, if I may, there is one additional point I think of relevance, which is where we have signed up some of the Project Memorandum with DfID for Infrastructure, they are confined under the terms of the Agreement to capital expenditure and they don't include provision necessarily for recurrent expenditure, so it may be that this is something that we need to take up there as well.

The Hon. Rodney Buckley –

A budget project, Chief Secretary, sorry, but a budget project is a budget project and covers all the costs that it does, it requires to complete that project.

The Hon. Andrew Wells –

I certainly agree with that principle, Councillor.

The Speaker –

Councillor Gunnell?

The Hon. Cyril Gunnell –

Yes, Madam Speaker, can I just go to the increases in electricity and water. Now, is this for Standing Charges or is this for consumption? In the explanatory notes there at the bottom it says, proposed increase of 2% for electricity and 5% for water. Is this for Standing Charge or is this for consumption?

The Hon. Paul Blessington –

Madam Speaker, the increase, I believe, refers to the total revenue to be generated from charges, both consumption and Standing Charge, so it's increase in total revenue from the sale of water and electricity.

The Hon. Cyril Gunnell –

So let me get this straight now, are you saying that the Standing Charge for electricity is not going to increase from £20.00 or is it going to increase from £20.00 and the same for water?

The Hon. Ken Baddon –

Madam Speaker, if I may interject, based on a conversation I had a couple of days ago with, I cannot remember who, but someone involved in Utilities and Infrastructure, my understanding is that that Committee has not yet formulated these detailed recommendation. From that, it would follow that the Financial Secretary would be able to say whether the increase is on consumption charges or Standing Charges or a mixture of the two. The recommendation has not yet been formulated.

The Hon. Cyril Gunnell –

Then may I ask, how am I able to support the budget if I don't know what it's going to be affected?

The Hon. Bernice Olsson –

That's right, you can't expect us to say something that we don't know.....

The Hon. Brian Isaac –

If I may, Madam Speaker, the estimates in the budget are exactly that, they're estimates of money to be spent or money to be received and they're approved on that basis as estimates or approximations, if you will. They don't imply or pre-empt any approval of a particular level

of charge, so by declining or accepting any one of these lines of expenditure or revenue, you do not thereby decrease, maintain or increase any particular charge, as the Honourable Attorney General has said, there is a separate legal mechanism for that and that will come to the appropriate Committee at the right time.

The Hon. Cyril Gunnell –

I would rather deal with it now because if, for example, there is a 2% increase on Standing Charges, I would not be able to support this. If, for example, there is 5% increase on Water Standing Charges, I would not be able to support this. This is why I'm asking, is the increases a reflection on Standing Charge or is it on consumption?

The Hon. Ken Baddon –

Madam Speaker, if I could repeat. What it says is, overall percentage increase, without specifying how it will be divided between consumption charges and funding charges. Nothing that this Council can decide today can stop the relevant Committee putting up a, of course if it wishes to put up, in due course. The time to challenge the detail is when those proposals are put forward. All Council will be approving today is the principle that there should be increased revenue from that source, without specifying the details.

The Hon. Brian Isaac –

Madam Speaker,.....

The Hon. Cyril Gunnell –

It's not good enough, Madam Chairman, it's not good enough. I need to know what it is that I am going to support or not support. My understanding is, if you don't mind, my understanding is that the, for example, electricity Standing Charge is to do with maintenance payments, now is that correct?

The Speaker –

I think the Honourable Chairman

The Hon. Brian Isaac –

Madam Speaker, I would just like to say that these proposals were put to the Infrastructure and Utilities Committee and no approval was given, the Department was asked to go away and furnish the Committee with further information required to make a decision, so no decision has been made from the Committee's point of view. These proposals are still within the pipework.

The Hon. Cyril Gunnell –

Therefore, Madam Speaker, it makes it even worse for me. To be able to support the budget which I want to do, unless I am clear on this, I will not be supporting it.

The Hon. Andrew Wells –

Madam Speaker, there may be some confusion, because in every country in the world, budgets are passed or failed according to approximations of revenue.

The Hon. Cyril Gunnell –

Let's deal with St. Helena, can we?

The Hon. Andrew Wells –

One cannot... Well, we must conform to best international practice. We have, for example, put in the budget a 4% increase for SHG staffing costs, for cost of living; that does not mean that we are pre-empting a decision. There may be no increase, there may be a higher increase, we don't know at this time, but reasonable assumptions have to be made so that a figure can be put in. Honourable Members have already on a number of occasions noted certain lines of expenditure which are likely actually to be lower in the event, because we're expecting cost savings. Nevertheless, at the time that the estimates are put together, one has to take the best snapshot that one can, and I can only re-emphasise that in rejecting or approving this particular budget or any particular part of it, you are not, Honourable Members, accepting, rejecting or endorsing any particular change to utility charges, or any other charges come to that.

The Hon. Cyril Gunnell –

What recourse do I have then if I find out later on that the standing charge for electricity and water has been increased, because you tell me now that you're not certain if it's going to be or not?

The Hon. Andrew Wells –

Well, the recourse would be that you, presumably, would remonstrate with the members of the Committee who would improve the increase, because it will be for the concerned Committee to decide whether there is an increase, a maintenance, a decrease or what combination of those would take place. So that will be decided in Committee by elected Members, so, I mean, I don't think any officials can....we can seek to provide information to guide that process, but we cannot actually determine the outcome. I don't know whether the Financial Secretary wishes to

The Speaker –

The Honourable Attorney General wants to comment.

The Hon. Ken Baddon –

Just to elaborate on that, Madam Speaker, in fact, the Committee will make recommendations, but it's the Governor in Council who approve tariff increases or decreases. Therefore, all Honourable Members will see the drafts and will have an opportunity to lobby members of the Executive Council before a decision is made.

The Hon. Cyril Gunnell –

Are you saying we'll see the draft before the approved or not approved the budget today?

The Hon. Paul Blessington (Financial Secretary) –

Madam Speaker, if I could just perhaps clarify the situation. What Council is being asked to approve is the increase in revenue, 2% from electricity, 5% from water by a combination as yet to be determined of Standing Charge increase and consumption rate increase. I understand that some members of Council have concerns about adjusting the Standing Charge because of its impact on low income households. The question of pricing policy for utilities and whether you use a Standing Charge mechanism or a consumption mechanism is something that needs to be looked at and decided by that relevant pricing body. That is not what is being asked by members here to approve, it is the principle of whether we raise sufficient revenue to cover the additional costs of running our utilities in the next year.

The Hon. Rodney Buckley –

Madam Speaker?

The Speaker –

Yes?

The Hon. Rodney Buckley –

Am I going bonkers?

The Speaker –

I trust not, Sir.

The Hon. Rodney Buckley –

Perhaps the Attorney General and the Financial Secretary can make some clarifications. As far as I'm concerned, I am going to approve here today the expenditure of the Consolidated Fund and that's all I'm going to approve. I am not approving any increases in any revenue or agreeing to approve any increases in any revenue. My requirement here today, as far as I'm concerned, and correct me if I'm wrong, Attorney General, that all I'm going to do is to approve the expenditure for each Department and we've also been given an undertaking in this Council and under the Constitution that we can do reallocations during the year on the budget or whatever if need be. Am I correct in saying that's what I'm here to approve?

The Hon. Ken Baddon –

Madam Speaker, if the Honourable Member is going bonkers, then so am I, because I couldn't have put it clearly myself. What the Council will approve today, if it's approved, will indeed be the expenditure. The revenue matters come back for separate approval in various forums, for example, members heard in the Budget Speech of a proposal to increase the tax free allowance and the lower rate band, that will neither be approved nor rejected by voting on the Appropriation Bill. It will be approved or rejected when we discuss the next piece of legislation, which is the Income Tax (Amendment) Bill.

The Hon. Cyril Gunnell –

That being the case, I wonder why it is necessary to even be discussing what we're discussing now.

The Speaker –

Merely because both revenue and expenditure are shown in the estimates and you have the facility within Committee stage to be able to question what is in front of you, which is both.

The Hon. Paul Blessington –

Madam Speaker, I understood we were having this discussion because the Honourable Councillor Gunnell stated he would not be willing to support passing the Appropriation here unless he understood what was happening with Standing Charges. That's the only reason that we are having this discussion now.

The Hon. Cyril Gunnell –

I still don't understand.

The Hon. Andrew Wells –

I don't think I can put it any clearer.

The Hon. Cyril Gunnell –

Am I the only Councillor here who is concerned about the people who are unfortunate to not be able to afford the Standing Charge, one cannot understand certainly, I'm sure, the concerns that I'm having. I represent the people here and there is a concern that people just cannot afford the Standing Charge. Now, if it were to be, for example, on consumption, one can understand that you're paying for something, but the Standing Charge, you're either paying £20.00, well you're paying £20.00 and £10.00, £30.00 before you even get on to consumption and now if that can't be understood and I'm certainly hoping that other Councillors would see it the same way, because we all did our canvassing at the same time and that was a very prime topic, came out where every person we actually spoke with, so if you think I shouldn't be raising these kind of questions here, then maybe I'm going bonkers as well.

The Hon. Bernice Olsson –

I have to agree with Councillor Gunnell, everything he said. The public is finding it difficult now and then we're sitting here, we're discussing it and we're more or less told, well, even if you say yes or no it don't really make any difference because it will go to the Committee and then it will have to go to ExCo. LegCo members can sit with ExCo, but when ExCo goes in for their meeting on a Tuesday, they will get most probably more information than what we as LegCo members have and I can't sit here and agree and I will certainly back Councillor Gunnell a hundred percent.

The Speaker –

Councillor Green and then Councillor Thomas?

The Hon. Anthony Green –

Yes, if I just may put a personal comment on it, I understand what my colleagues are saying, but I think what we're looking at in this pink book is simply a financial plan. How the detail is realised will depend on how certain revenue-generating suggestions are processed through the various Committees, and, as we've heard, there may be savings in the overall budget, there may be a way of increasing the unit cost and not having a Standing Charge, there may be a way of not having any increases, but then it's actually open to a Council Committee and then the overall responsibility of everybody in Government to actually decide whether we want and how we want to realise or change the overall financial plan. For now, we need something to start with based on the best information available when this was put together. That would be my understanding.

The Speaker –

Thank you, Honourable Member. Honourable Derek Thomas?

The Hon. Derek Thomas –

Yes, just to say that I support and the members will know right from the onset of my budget reply to the Financial Secretary, I said quite clear from the onset that given the present situation, I will not be supporting any increase in electricity, water and the Standing Charge for drainage. Those are proposed charges, I understand that, and I said that I was of the view that this money should be found elsewhere through efficiency savings or raising revenue elsewhere unless things change and that position still stands with me, but this is only proposed charges and I understand will have to go through the Committee and all elected members will have a say. Unless things change, my decision will remain.

The Hon. Andrew Wells –

I just wanted to say, Madam Speaker, that speaking for the other official members of this Council, we in no way underestimate the difficulties faced by those in genuine need on the island and we're very determined to do something about that, not just with respect to their expenditure on electricity, but more generally, to make sure that the families have a decent standard of living. Nobody is being asked to impose additional charges on these people at this meeting, as the Attorney General has explained. The purpose, as the Honourable Councillor Buckley said, is to approve an appropriation for expenditure. There will be variations on that, as he also said, as the year progresses, when Councillors make vary priorities that have been established in the past. As for revenue, whether it is from Fees and Charges or from Tax, as the Attorney General said, that will be for the relevant Committee or for this Council to determine as has always been the case in St. Helena. Thank you.

The Hon. Bernice Olsson –

Madam Speaker, I look at it, we put up cigarettes and alcohol for the public, we give them a little bit of pay rise in one hand, we're taking, and now we're looking at electricity, water and drainage. We're going to empty this island before we know it, because the people will no longer be able to afford to live here on the low wages. Electricity now, I know with my own electricity bill, it's gone from a hundred to nearly two hundred. Some people have asked for their electricity to be cut off because they cannot afford it. And it's like I was saying, I will say it again, we as Councillors will get the stick, not the officials and we are put here by our people and we have to fight for them.

The Speaker –

Honourable Financial Secretary?

The Hon. Bernice Olsson –

And I understand where you're coming from, but you also have to understand where I'm coming from, you know?

The Speaker –

I think you have made your point very clearly, in your response to the Budget Speech in the budget debate earlier in the day and again just now. I think I would perhaps allow the Financial Secretary to respond and then I do feel that we ought to continue to look at the Head that we're looking at in Committee stage, because we're almost digressing from the purpose of the Committee stage of this Bill.

The Hon. Paul Blessington –

Madam Speaker, I would just like to make the point that whilst I understand many of the Members concerns about the impact of raising charges, they should try and put this into perspective, particularly the perspective that this package comes as a deal that was signed as part of the Aide Memoire. We do have undertakings with DfID to raise certain amounts of revenue in return for the funding for expenditure. With the water and drainage charges, we're looking at raising something in the region of £370,000. DfID, on the other hand, are injecting £30m into our economy over three years. I would caution very much against taking a stance that would give DfID the right to pull the plug on our DAPM settlement of £30m in exchange for £370,000. That is my serious concern and that I would be very wary of sending the wrong message to DfID that we're not serious about raising a relatively small amount of internal revenue in return for a very significant amount of investment in our vital infrastructure.

The Hon. Bernice Olsson –

Madam Speaker, why is it that I always get the feeling that when this kind of thing arises, I always feel as if I'm blackmailed. If you don't do A, you're not going to get B, why? I mean, it's not our fault we are British, right? And I am getting a little bit sick when I hear if you don't get A, you're not going to get B and I think it's about time it's got to stop. I had an argument with Malcolm Geere over the electricity and the water and in the end he saw my point. I says, how can we? Alright, we help the vulnerable, but what about the lower paid? What happens if you can't get your money in for electricity? People won't be able to afford to pay the water and electricity bills, what going to happen to your revenue then? You're going to be worse off. Madam Speaker, I know you say that we're going off, but this is very important to the people on this island and if we want to sustain our people here and if we as Councillors don't sit down and look after them.....

The Hon. Andrew Wells –

Madam Speaker.....

The Speaker –

The point has been made around the table, but in fact these are only proposed charges, but at the end of the day it will be the Committee who will make the recommendations to Executive Council and then all Members can be and will be involved at some stage during those deliberations. If all Members choose to reject those recommendations they will not go through to Executive Council, they will not be passed.

The Hon. Derek Thomas –

Yes, I'd just like to say something in relation to the Financial Secretary. I'm very concerned. I accept that we have to raise revenue, in support we have to raise our own revenue, but my understanding is DfID also got an obligation to the Overseas Territories in providing reasonable and decent standard of living to the people. Now, I'm not against raising electricity and water, but for those who can afford it. My concern is there's genuine people out there who simply can't afford it and we can't be seen to be raising revenue when people can't afford to pay, so I feel a bit saddened about those remarks, because there are genuine cases out there and people just simply can't afford to pay.

The Speaker –

I don't think anybody denies your concern about vulnerable people. Honourable Attorney General?

The Hon. Ken Baddon –

It just occurred to me as the Honourable Derek Thomas was speaking that he, perhaps, hit the nail right on the head, but I think probably everyone around the table, including ex officios, and everyone listening outside fully understands the desire of Councillors to protect those who are vulnerable economically and that is why the details of this proposal must wait until the details have been ironed out, because there is a danger of subsidising the rich as well as the poor.

The Speaker –

Can we move forward on any other questions on Head 26 now please?

The Hon. Rodney Buckley –

Yes, Madam Chairman, I'd just like clarification on the electricity overcharge, overstatement actually of the consumption last year, there's a difference £133,000, can we be told whether this, in fact, that the increased electricity charges last year was based on this overstatement of electricity which was £262,000 and now it's in at £128,000, whether the increased charges last year were based on this overstatement figure?

The Hon. Ken Baddon –

Madam Speaker, I don't want to appear obstructive, but that's a matter of history which can be investigated if the Honourable Member so wishes, but it's not really directly relevant, I would respectfully suggest, to the question whether or not to approve the budget for the coming year.

The Hon. Rodney Buckley –

Well, Madam Speaker, we're dealing with Head 26, Expenditure and it certainly is of interest to me, because if that was based, if the increased charges last year were based on the overstatement by the Department, then it is very, very relevant to increased charges.

The Hon. Paul Blessington –

Madam Speaker, I cannot give a categorical answer to that, I'm sure, however, that the basis on which electricity charges are made is made on the most up to date information at the time. If that information is subsequently changed, then in future tariffs will be adjusted appropriately. I think the same thing would happen whether it was electricity consumption, changes in fuel price deliveries, etc. You adjust your tariff according to the most up to date information that you have.

The Hon. Rodney Buckley –

Unfortunately, Madam Speaker and Financial Secretary, tariffs have not been adjusted downwards, so all I'm asking is that, for me, if tariff review is going to come before us, then I'd like to know if that overstatement was included on the basis of the increased charges in the last increases?

The Speaker –

Honourable Financial Secretary?

The Hon. Paul Blessington –

Yes, could you just clarify which line you're referring to, please?

The Hon. Rodney Buckley –

In the supporting budget lines in Head 26 and it's under 22203 subhead, £262,000 electricity for year 2009/2010 and in 2011 it's down to £128,747. It's a £133,000 reduction from last year down to this year and all I'm asking is whether that £133,000 was the figure with the last increase in electricity £20.00 Standing Charge, was based on that overstatement?

The Hon. Paul Blessington –

Madam Speaker, I'm advised the last time that electricity charges were reviewed was actually two years ago, which, I think, would precede the expense figure that the Honourable Member has identified, so my belief would be that the electricity tariff does not currently increase.....

The Hon. Rodney Buckley –

Madam Chairman, Madam Speaker, sorry, I think that we are trying to be bamboozled here. The last increase in electricity was the Standing Charge which was, Members please help me, middle of last year? When was the last increase of electricity for standard charge and when did our electricity charges go from 18p to 30p and if you used more than a thousand units you paid 30p, that was not two years ago, because my bill, has not been years, so please, Madam Speaker, can we be given some correct information here, not try to be taking us around the bush?

The Speaker –

Honourable Members, I'm going to suggest a short adjournment in order that the Financial Secretary and the Head of Department and any other adviser can perhaps produce the correct information that's been requested. We adjourn for five minutes.

Council adjourned.

Council resumed.

The Speaker –

I trust the short adjournment has allowed the Honourable Financial Secretary to gather his thoughts and to be able to respond to the various points that were raised by Councillor Buckley before.

The Hon. Paul Blessington –

Madam Speaker, yes, thank you for the adjournment. I don't claim to be a Power Station expert, but I have spoken to those are and my understanding now is that the tariff model that is used to set electricity prices does use both historical and forward projections, so it would use all available information. The fact that the electricity line that was shown to have jumped up to £280,000 would have had no nett effect on the tariff model, because it was offset by an equivalent amount of estimated reimbursement or revenue from that electricity, so what has happened is that the future three years that the Head of Energy has estimated the amount of power consumption by the Power Station to be lower and that consequently also the revenue generated will be lower so the two things offset one another and I'm assured that the price changes that were set in September 2008 will not have been overly inflated as a result of that figure.

The Speaker –

Thank you, Honourable Financial Secretary.

The Hon. Brian Isaac –

Madam Speaker, could I just make a comment. These tariffs have been brought to the Infrastructure and Utilities Committee, and, again, it was asked, the Department to take it away and furnish the Committee with further information. I would like to take an undertaking, with your approval, that if and when a decision has been made by the Infrastructure and Utilities Committee, if there is a decision made, that it is shared with all the elected members prior to presenting any papers to Executive Council.

The Speaker –

Thank you, Honourable Member. Honourable Rodney Buckley?

The Hon. Rodney Buckley –
I would welcome that, Madam Chairman.

The Speaker –
Thank you. Now, are there any further questions on Head 26, Public Works and Services Department?

The Hon. John Cranfield –
Yes, Madam Speaker, under Staff Mileage Allowance, it seems to have gone up by £1300, is there any specific reason for that?

The Speaker –
Can you perhaps point to the particular line?

The Hon. John Cranfield –
I'm sorry, 21107.

The Hon. Paul Blessington –
Madam Speaker, I'm advised that the increase, small increase in staff mileage allowance has been based on historical evidence that suggested that previous estimates were too low and it has now been set at what is believed to be a realistic figure.

The Speaker –
Thank you.

The Hon. John Cranfield –
I beg to differ on 'a small amount' that's 600%.

The Hon. Paul Blessington –
Madam Speaker, I think in terms of PWSD's budget, it is a very, very insignificant amount.

The Hon. Cyril Gunnell –
Can you explain the staff mileage allowance to me, please? I mean, who gets it and so on, what's it for? Well, I know this isI like to hear.

The Speaker –
The Honourable Financial Secretary is just checking?

The Hon. Paul Blessington –
Madam Speaker, the staff mileage allowance is paid in respect of staff who use their own private vehicles to undertake Government business, so it's reimbursement for the costs of operating their own vehicle.

The Hon. Cyril Gunnell –
So this is on top of what we were looking at earlier on, the hire vehicles, this is on top of that?

The Hon. Paul Blessington –
Madam Speaker, it would be an alternative to use somebody's own vehicle rather than to hire a vehicle so it's an alternate.

The Hon. Cyril Gunnell –

So how many people would be involved in this then, I mean, how many vehicles, for example?

The Hon. Paul Blessington –

Madam Speaker, it's estimated that around twenty staff would probably be involved in using private vehicles on Government business.

The Hon. Cyril Gunnell –

So in that sense then it is significant, rather than being insignificant?

The Hon. Paul Blessington –

Madam Speaker, I think a thousand pounds out of a budget of £3.9m is almost infinitesimally small.

The Hon. Cyril Gunnell –

As I was saying earlier on this morning, you can prove anything by statistics. This is not insignificant when you're talking about twenty-two people within the Department.

The Hon. Paul Blessington –

I think, Madam Speaker, £1,000 out of £3.9m is hardly something to get het up about.

The Hon. Cyril Gunnell –

Well, there you go again, you see. I'm trying to save the island some money.

The Speaker –

I take it that

The Hon. Cyril Gunnell –

So whereas it can be saved, I'd like to try to save it.

The Speaker –

I think your point is taken, Honourable Member. I take it there is a policy that controls the use of private vehicles for Government business?

The Hon. Andrew Wells –

Yes, Madam Speaker, I mean, I have to agree with my Friend, the Honourable Financial Secretary, we're not suggesting that saving money is insignificant or that proper safeguards shouldn't be in place, but in strategically looking at the budget, the amount is less than one percent of one percent of some other small percentage.

The Hon. Cyril Gunnell –

In terms of.....

The Hon. Andrew Wells –

Moreover, it is, if I may add, necessary sometimes, when we're looking for Government transport, as anybody who's worked in the Castle could tell you, necessary to, what's the word, to look at all available opportunities. There may be, this is without prejudice to the size of the Government vehicle fleet and all the rest of it, but it may be that there's urgent

work to be done and it is not possible to obtain a Government pool car and it is not possible to hire a car for whatever reason, under those circumstances if a member of staff is prepared to use his own vehicle then all he is gaining in exchange is a reimbursement as an officer or Councillor would do if they were on official business overseas.

The Hon. Cyril Gunnell –

You know, it's all completely wrong, as far as I see it, the whole transport system thing. We're spending far too much money on transport, we've got eleven vehicles, you were telling me this morning, that's long-term and you've got another twenty-two vehicles that's people are using their own vehicles at a cost, of course, and I'm just concerned about the whole transport situation, especially when I see vehicles, as I said this morning, in some curious places.

The Hon. Andrew Wells –

Yes, I think that, I certainly share the Honourable Member's general concern about this and as I said earlier, in another context, we do need to look at making best use and putting better controls into the system as a whole to make it more cost effective and to avoid waste, that I certainly accept and that principle I would not regard as insignificant, I would agree that that principle is very significant indeed.

The Speaker –

Honourable Rodney Buckley?

The Hon. Rodney Buckley –

Madam Chairman, it's abundantly clear that elected members and our constituents are very unhappy with the transport system on the island, the transport, running of the island. Will the Chief Secretary and the Financial Secretary give an undertaking to discuss with Legislative Council how best to undertake a comprehensive review of the entire transport system across the island, across the Government rather, which would include the transport Garage at Donkey Plain?

The Speaker –

Honourable Chief Secretary?

The Hon. Andrew Wells –

Thank you, Madam Speaker. Honourable Members are aware that there is in any case in progress a review of public transport generally on the island being led, I think, by the Government Economist, and I see no reason why we could not include the question of Government transport within the context of that review if that would be satisfactory to the Honourable Member.

The Hon. Rodney Buckley –

That would be satisfactory, Madam Chairman, providing it's discussed with the Council before any implementation or any decisions are taken how best to do it.

The Hon. John Cranfield –

Sorry, Madam Speaker, can I ask what was the estimate in 2008/09 for the District roads and Community roads, because the £18,000 and £4,000 for this year seems to be extra low, you can't do very much, not with today's prices in aggregates and materials out of £18,000 and £4,000?

The Hon. Financial Secretary –

Madam Speaker, the budget estimates for District roads and Community roads at £18,000 and £4,000 are similar to the historical levels of spending. If we look at previous years, they've been £17,000 and £3,000, £24,000 and £4,000 so the amounts that are budgeted for the future are similar to what we've been spending historically.

The Hon. John Cranfield –

Yes, I understand that, but my question was what was the estimate for those years, not the actuals. The actuals would be completely different to the estimates. I'm trying to establish whether £18,000 has been a figure that's been brought forward from previous years and I can only determine that from the actual estimates rather than the actual expenditure for that year.

The Hon. Financial Secretary –

Madam Speaker, I can't answer all of the request that the Honourable Councillor raised because I haven't got numbers going back that far in front of me, but I can say that the estimate for 2008/09 was - for District roads for 2008/09 was £28,000, Community roads £8,000; and for 2009/10 –

The Hon. John Cranfield –

You'll find there was nothing.

The Hon. Paul Blessington –

Was nothing, yes.

The Hon. Stedson Francis –

So am I right in saying that the historical figure should be more than £28,000 rather than £14,000?

The Hon. Paul Blessington –

Madam Speaker, I'm advised that last year the maintenance for District and Community roads had been included in the overall road maintenance budget and that by Special Warrant, funds were transferred down to the, or by Virement, down to those lower categories of Community and District roads.

The Hon. Stedson Francis –

Can I ask what was the Community road allocation in the same year that you had £28,000 for District roads?

The Hon. Paul Blessington –

The Community road allocation, I just have to check my figures, wait one moment; District roads were £28,000 and Community roads were £8,000.

The Hon. Stedson Francis –

That seems like a more historic figure to me, rather than

The Speaker –

Please speak into your microphone because you won't get picked up, not only by me, but you won't get picked up by the radio.....

The Hon. Stedson Francis –

Sorry, what I was said was that it seems like a more historic figure. In 2008/09 £28,000 for District roads and £8,000 for Community roads whereas this year we've got £18,000 and £4,000.

The Hon. Paul Blessington –

I wouldn't dispute the Honourable Councillor's recollection.

The Hon. Cyril Gunnell –

I think, maybe what he's asking is have you got sufficient in there?

The Hon. Stedson Francis –

Although I think we have agreed in Finance that that can be an internal matter for Committee, because there is not an overall roads budget.

The Hon. Andrew Wells –

Yes, I think, Madam Speaker, we'd want to make sure that the Department has the capacity actually to spend the money, but if it's necessary to spend more.....

The Hon. Stedson Francis –

We're not asking for more, Chief Secretary, we're asking that it be reallocated within the roads budget.

The Hon. Andrew Wells –

As I was about to say, reallocation is always an option.

The Hon. John Cranfield –

Yes, but having said that, the roads maintenance budget has gone up by £40,000 and the roads budget for the three-year period has gone up and the District and Community roads have come down.

The Hon. Paul Blessington –

Madam Speaker, I'm advised that the categorisation of roads is being looked at at the moment and that therefore if some of the road categories change it may well be possible that some of the things that were categorised as Community or District roads might in future be covered by the general roads maintenance budget. In any case, I think there's an undertaking that's been given to look at the allocation of spending, maintenance spending across the different categories of road on the island.

The Speaker –

Honourable Brian Isaac?

The Hon. Brian Isaac –

Madam Speaker, I've given an undertaking earlier on that the roads policy is our next agenda item, high on the agenda to be reviewed and I'm sure that these issues will be taken into account. There are a lot of concerns in connection with District roads and Community roads that we will have a review on.

The Speaker –

Thank you, Honourable Member. Any further questions on Head 26, Public Works and Services?

Head 26, Public Works and Services - £3,934,464.

Question put and agreed to.

The Speaker –

I put the question that Head 28, Shipping - £3,910,362, do stand part of the Bill. Head 28 is on page 49. Honourable Members have any questions?

Head 28, Shipping - £3,910,362.

Question put and agreed to.

The Speaker –

I put the question that Head 29, Internal Audit - £43,915, do stand part of the Bill. On page 51, Head 29, Internal Audit Office. Honourable Members have any questions?

The Hon. Stedson Francis –

I don't have any question, but I'd just like to make a comment, that it must be the only Department that's breaking even.

The Speaker –

I'm sure everybody else will bear it in mind.

Head 29, Internal Audit - £43,915.

Question put and agreed to.

The Speaker –

I put the question that Head 30, Tourism - £91,199, do stand part of the Bill. Do Honourable Members have any questions? Page 53 of the pink book?

Head 30, Tourism - £91,199.

Question put and agreed to.

Schedule I, Consolidated Fund - £24,715,861.

Question put and agreed to.

The Speaker –

We move to Schedule II, Development Fund. If I could just ask the Honourable Attorney General do I take this....it's not listed as Heads, so do I just take each one in turn?

The Hon. Ken Baddon –

I think just take each one in turn, Madam Speaker, the Standing Orders are probably a bit ambiguous on it, because it doesn't have Head numbers but best to take one at a time.

The Speaker –

Right, so if we look at DfID-funded projects. Sorry, I put the question that DfID-funded Projects - £10,496,941 do stand part of the Bill. So we're on the green pages. Honourable Members have any questions? I'm not so sure that it wouldn't be easier just to actually take all of them and then allow the questions, because they're actually not set out separately. There's DfID-funded projects and then Locally-funded projects, they seem to overlap on the same page.

The Hon. Ken Baddon –

Yes, if Members are content, Madam Speaker.

The Speaker –

If Members are alright with that, so we have Locally-funded Projects - £219,700; European Development Fund projects - £9,202,705; UNDP projects- £49,214; and DfID-funded Support Programmes - £2,140. Perhaps we can just take them page by page, so page 57. Any Honourable Members have questions on that page, please? For the benefit of the public, I will perhaps just mention what is on the page, we have the Locally-funded projects – Pasture Development, Housing and Chief Secretary housing; and in the pipeline, a new Fire Station. The DfID-funded Health Support programme of Health Link 3 and the Health Strategy and Hospital Refurbishment; the DfID-funded Education Support Programme – ESSP 2; and we have the Education project of AVES, for which there is no estimate for 2010/11. Public Health projects – Solid Waste Management and Solid Waste Management Project 2; Public Works and Services Department projects – Wastewater collection, Electricity Distribution.

The Hon. Stedson Francis –

Can I ask, on page 57, Locally-funded projects in the pipeline – New Fire Station, it started off with an estimate of £100,000, it's gone down to £300 for this current year and then an estimate of £99,700.

The Speaker –

The Honourable Financial Secretary?

The Hon. Paul Blessington –

Madam Speaker, the £300 for this item referred to the fee for Planning Application for a new Fire Station and the remainder refers to funds that are to be rolled over for the construction of a new Fire Station when all of the site and planning, etc, has been completed.

The Hon. Stedson Francis –

Oh, I see.

The Hon. Cyril Gunnell –

Where's that going to be built?

The Hon. Stedson Francis –

Because to me it read, maybe I'm thick, the estimate is £100,000, then it's revised down to £300.

The Speaker –

Rather an alarming thought.

The Hon. Paul Blessington –

Yes, it's not actually going to be a Lego Fire Station.

The Hon. Cyril Gunnell –

Where's the Fire Station to be built, I don't know?

The Hon. Paul Blessington –

Madam Speaker, there isn't a firm date yet set, because planning permission is still to be granted and a final site and design still to be completed, so I don't, I can't give an assurance that it will be built in this financial year.

The Speaker –

I think the Honourable Member asked where it's to be built, not when.

The Hon. Cyril Gunnell –

I thank you for that information, but I asked where it's going to be built.

The Hon. Paul Blessington –

Oh, I beg your pardon. Yes, Madam Speaker, I apologise for misunderstanding. I understand the preferred site at the moment is at the top of Ladder Hill, next to the Police Club.

The Hon. Bernice Olsson –

That's good.

The Speaker –

Any other questions on page 57? We turn to page 58, in that case, please. We have DEPD projects, SHDA Development, the SHDA **Accelerate in Growth** comes to an end; it's an interesting thought, it's grown and now it's going to develop. RMS Capex - £1.5m and then we have DfID-funded TC projects – renovation of Sheltered Accommodation and Clinics; PSMP, Tourism Projects, IT Strategy and Shipping Study. Under the various DfID-funded Core Projects – Performance-related Infrastructure funding; Jamestown Rockfall Protection; Jamestown High Rockfall Risk Area Assessment; Improvements to Field Road and Sidepath; new Bulk Fuel Installation, Ruperts Bay Jetty; Broadband link for Education and an Osiery. Any questions on.....

The Hon. John Cranfield –

Yes, I would like to ask the Honourable Financial Secretary, under the Ruperts Bay Jetty, given the worst scenario, no airport, what will happen to this money?

The Hon. Paul Blessington –

DfID.....

The John Cranfield –

Will it be used for the James Bay breakwater?

The Hon. Paul Blessington –

Madam Speaker, if the decision is not to build the airport, the latest thinking I understand from DfID was that they still believe there was an economic case for building a Jetty at Ruperts and as long as they continue to hold that view, they are not prepared to transfer the

funding to James Bay. So at the moment, we're still waiting, obviously, for the outcome of the airport decision, or, indeed, for Impregilo to take a decision, because we wouldn't be able to undertake any work at Ruperts until we know the outcome of the Impregilo contractual situation. But I believe that it would not be possible at the moment to transfer any of the funds that DfID have allocated for Ruperts to James Bay.

The Hon. John Cranfield –
That's sad, Madam Speaker.

The Hon. Bernice Olsson –
We're talking about tourism and safe landing and Ruperts isI remember the Honourable Rodney Buckley doing a paper about Ruperts and how the sea works and I mean this is the big problem when we....DfID don't know how our seas work and I did have an argument with Malcolm over it. You know, why can't we just finish one project off and then start on another. We're not going to get the airport for a long time and I know what the idea is, to put the containers round there. When the sea is rough in Jamestown, they think they can offload people round Ruperts and it's not going to work.

The Hon. Cyril Gunnell –
You're talking about a St. Helena idea, it's not a good idea.

The Hon. Bernice Olsson –
No, but if a consultant came out and says it's no good, then it's a good idea.

The Speaker –
Honourable Members, it really grieves me to hear you saying such things.

The Hon. Bernice Olsson –
Sorry, Madam, but they.....

The Speaker –
Are there any other questions on the projects on page 58?

The Hon. Anthony Green –
Yes, Madam Speaker, just to wonder whether the Shipping Study of £50,000 is a potential saving following what Sue Wardell said we might not actually have a full shipping study and looking at different pots of money to try and balance our overall figures whether we'd be able to get our hands on that if no shipping study.....

The Speaker –
Honourable Chief Secretary?

The Hon. Andrew Wells –
Thank you, Madam Speaker. Certainly, let's try and keep our hands on the money, but whether we need a study anyway, we can't really say yet. We may or may not need the so-called holistic study that was agreed before, but even if, as a result of the public consultation which the Governor has initiated, we can narrow it down, the focus of the discussion a bit, it may still be that we will need funds to provide an objective assessment of the different options, so we'll have to see or we'll just have to watch this space, as they say. Thank you.

The Hon. John Cranfield –

Honourable Chief Secretary, going back to DfID-funded TC projects, PSMP, how far down the road are we with PSMP, because it would appear that we need £0.5m for the next three years, why do we need £0.5m for the next three years to modernise St. Helena?

The Hon. Andrew Wells –

Madam Speaker, the PSMP project was always budgeted as a three-year project. The first year was taken up by undertaking what I can call preliminary work in many areas and probably the biggest single output has been the Pay and Grading Review. There's also been considerable progress in restructuring and in other areas. As you'll be aware, Honourable Members, a recent development also involving PSMP is a complete overhaul of the Financial Management Systems that are in place at the moment, which my friend the Honourable Financial Secretary is leading on. At the moment, Members are aware that for unfortunate reasons, the Head of the PSMP Team is away from the island. During the interim period, we are looking at what the most important aspects of the programme are to be continued over the next few months in a group that I chair and we believe that the momentum established by the PSMP Team especially amongst the junior and middle ranking officers in different Department, not all of them, but many of them, has been one of the most valuable although perhaps not quantifiable results. There are people in SHG now who were previously, if I can be honest, just content to sit around and do the jobs from nine to five or eight to four and they're now quite energised and they're committed to the modernisation process, because the modernisation process obviously has to be self sustaining. Having said all of that, whether we need £500,000 each year for each of the next three years, and if so, how it's best deployed is something that we will be reviewing with DfID in the light of the current circumstances. Again, as with the previous question asked by the Honourable Anthony Green, I would suggest that it might be prudent to keep our hands on the money for the time being. I'm not sure if DfID is listening in to this, so perhaps I'd better not elaborate.

The Hon. John Cranfield –

Thank you.

The Speaker –

We move to page 59 where we have the European Development funded projects, two of which I believe are just an accounting procedure because one of them is for Tristan da Cunha and one of them is for Ascension. I take it the money comes in and goes out, but we do have the Wharf Improvement Project, the Roads Rehabilitation projects, which is a new one, and another new one Safer Sea Landing. And then we have the UNDP projects – Integration of the vulnerable into the workplace, which is a new one and the training of the vulnerable that's coming to an end at the end of this financial year. TC – short-term Technical Cooperation, that brings us to the end of the Development Fund estimates. Any questions on page 59?

The Hon. Rodney Buckley –

Is the short-term Technical Cooperation funding, is that already allocated or that's just a provision?

The Speaker –

The £200,000 for the next financial year?

The Hon. Rodney Buckley –

For the three years.

The Hon. Andrew Wells –

Madam Speaker, does the Honourable Member mean allocated to particular posts or allocated by DfID, if I can just clarify?

The Hon. Rodney Buckley –

No, by posts.

The Hon Andrew Wells –

No, not all of it, Madam Speaker. In fact, the whole concept of the short-term TC is to respond to unforeseen requirements or opportunities when, if I dare to use the word, an expert from overseas becomes available at short notice.

The Hon. Rodney Buckley –

Is that a ceiling on that or that's just a figure that's been put in?

The Hon. Andrew Wells –

Well, unfortunately it is a ceiling, because we have a recent history of not spending all the money that has been available for this purpose, so despite the perception of there being a lot of experts and consultants around, we haven't been employing nearly as many as we could have done, for which reason DfID suggested at the DAPM visit that we should lower the ceiling because it was a more realistic assessment of what we were likely to spend.

The Speaker –

Any other questions on page 59.

The Hon. John Cranfield –

Just clarification on the Roads Rehabilitation, is that the same as the Public Works and Services Department's allocation for roads maintenance, that goes hand in hand with that?

The Hon. Paul Blessington –

Madam Speaker, the funding for roads is partly funded by DfID and it's partly funded by EDF and they are all part of the road infrastructure project.

The Speaker –

Any other questions, Honourable Members?

Schedule II, Development Fund - £22,108,560.

Question put and agreed to.

The Speaker –

We now turn to the Clauses. I put the question that the Short Title and Clause 1 do stand part of the Bill.

Short Title and Clause 1.

Question put and agreed to.

The Speaker –

I put the question that Clause 2 and 3 do stand part of the Bill.

Clause 2 and 3.

Question put and agreed to.

The Speaker –

The House resumes in Session. Honourable Mover?

The Hon. Financial Secretary –

Madam Speaker, I beg to report that the Appropriation Bill, 2010 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.

Question that Council approves the Bill and recommends to the Governor that it should be enacted, put and agreed to.

The Speaker –

Honourable Ken Baddon?

The Hon. Ken Baddon –

Madam Speaker, I beg to move that the Council do now adjourn until tomorrow, 23rd March at, I'm in your hands, Madam Speaker, I guess you will be suggesting 8.45 am.

The Speaker –

Is there a seconder to the Motion to adjourn.

The Hon. Andrew Wells –

Madam Speaker, I beg to second.

The Speaker –

Thank you.

Question that the House adjourns until 8.45 tomorrow morning, put and agreed to.

The Speaker –

Thank you, Honourable Members.

Council adjourned.