



Formal meeting of the Ascension Island Council Finance Committee

16:30 on Monday 13 March 2024 at the Court House

MINUTES

Present: Peter Thomas Director of Resources

Councillor Kerry Benjamin
Councillor Kyla Benjamin
Councillor Alan Nicholls

In attendance: David Mills, Director of Operations and Facilities
Catherine Jones, Deputy Director of Resources
Frikkie Myburgh, Projects Manager
Siobhan Stewart, Clerk of Council

Apologies:

1. Welcome

The Director of Resources (DoR) welcomed all parties and explained that following the recent informal meetings of the finance committee, the budget was now ready to be formally considered. The DoR explained that the constitution requires that estimates of revenue and expenditure are produced at the beginning of each financial year and that any additional funding requests must be passed through an appropriation ordinance for authorisation.

2. Review of Proposed Capital Funding Business Cases

The DoR explained that he will run through each of the 12 capital fund business cases submitted throughout all directorates of Government, with each capital bid being presented for scrutiny and for Councillors approval on a case by case basis. The DoR thanked the Director of Operations and Facilities (DoOF) and the Projects Manager (PM) for attending to address any case specific or technical queries.

2.1 Incinerator site improvements

The DoR reported on the importance of the waste disposal site at One Boat to AIG and the wider community of Ascension. The recommended improvements include two concrete slab structures, both with lean to roofs.

Councillor Kerry Benjamin highlighted the shipping cost of £32,350 and requested clarity of why this figure was so high in comparison to the cost of materials. The PM explained that most of the costs are incurred in shipping in materials, such as ballast, to make the concrete slab, as well as the roofing sheets themselves. Councillor Nicholls asked whether there was any ballast left over from the airport project that could be repurposed for this project, with the PM confirming that there was not. Councillor Nicholls requested further information as to why two separate roofing structures were required, recommending that by combining the structures there may be cost savings to be made. The PM explained that the incinerator area roof needs to be able house the refuse truck within it, and the other is to house the glass crusher facility, at the other end of the waste management site. The PM explained that it would not be possible to have both functions operating under the same roof. Discussion was had regarding the improved working conditions for employees that would results from these site improvements.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £76,054 for capital expenditure to the Development Fund for improvements to the Incinerator Site for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
1	Incinerator Site Improvements up to the value of £76,054	Yes	Yes	Yes

2.2 Roof replacements

The DoR explained that the roof areas of Saints Members Club, Two Boats Club, the Post Office and the Dive Club (including the AIG archive store) are in various states of disrepair which results in water leaks and damage to property during rainy period, therefore it is proposed that these roof areas are repaired.

Councillor Nicholls reported that he is aware that the buildings mentioned have been leaking from quite some time now and that repairs are indeed needed. Councillor Nicholls requested more detail on whether the roofs were being replaced or repaired. The DoOF* explained that requirements vary from building to building, with some roofs requiring complete replacement, such as the Dive Club, and some requiring only repairs and partial replacement. The Deputy Director of Resources (DDoR) added that the Dive Club roof is also the roof for the AIG archive store, which had significant damage following periods of heavy rains in 2023.

Councillor Kerry Benjamin noted the £50,000 request for labour and requested clarity on who would be doing these works. The DoOF confirmed that the £50,000 requested for is for an external contractor to complete these works, however in the event that there were sufficient resources to complete the works within AIG's existing labour then this would be considered and a saving would be made. Councillor Nicholls asked whether it is achievable for these repairs/replacements to take place during the 2024/25 financial year, the DoOF confirmed that it was.

*The DoOF declared that he is both a member of the Dive Club and the Saints Members Club.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £104,000 for capital expenditure to the Development Fund for roof replacements for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
2	Replacing roof areas up to the value of £104,000	Yes	Yes	Yes

2.3 Upgrading of Two Boats School (Third Year 2024/25)

The DoR explained that following the successful completion of the second phase of refurbishments to Two Boats school, and with the drainage on schedule to be completed by the end of March 2024, it is proposed that the third phase be approved to focus on replacement fencing of the playground and resurfacing of sections of the playground.

Councillor Nicholls noted that this is the third year of improvements, and requested confirmation that years one and two are now fully complete and were achieved within budget. The PM confirmed that both years have been completed, with no overspends. Councillor Nicholls requested further detail on the type of fencing being procured, highlighting a cost of £48,000 for materials alone. The PM explained that the fencing quoted is of good quality and is expected to be durable in the harsh elements of Ascension.

The DoR conveyed that the Head Teacher of Two Boats School has reported concerns of the safety of some

of the areas in the playground and strongly recommends that these repairs are approved.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £79,845 for capital expenditure to the Development Fund for school refurbishments for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
3	School refurbishment project year 3 up to the value of £79,845	Yes	Yes	Yes

2.4 Boat Yard Refurbishment

The DoR introduced the next business case aimed at an organised and more suitable boatyard for local boat owners that includes the implementation of environmental protection measures. The DoR highlighted that originally an amount of £20,000 was estimated, however upon final submission of the business case a revised amount of £17,050 is now being requested.

Councillor Nicholls requested further detail on the works being proposed. The DoOF explained that the planned refurbishments are to provide better facilities for boat owners to maintain their boats, providing metered water and electricity as well as a concrete hard standing for engine repairs. The DoOF also noted that given the proximity to the beach a small bunded wall will be built to bolster environmental protections. Councillor Nicholls asked whether individuals will have exclusive areas. The DoOF confirmed that no one will have exclusivity to a specific area and explained that a space will be allocated to boat owners upon signing an agreement for use of facility. Councillor Nicholls asked whether boat owners will be charged for the use of the land. The DoOF explained that it is not anticipated that boat owners will be charged for placing their boats in the boat yard, given that it is in the best interests of AIG that the boats are in one area, allowing for better management and controls to be in place. Councillor Nicholls requested clarity on why a bund wall is required. The PM explained that if there were to be an oil spill for example the bund would prevent any environmental impact to the beach and ocean which are in very close proximity. Councillor Nicholls sought confirmation that the engine repair area would be shared by all boat owners. The PM confirmed that both the oil separator and concrete hard standing area would be shared amongst all boat owners.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £17,050 for capital expenditure to the Development Fund for refurbishments to the Boat Yard for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
4	Boat Yard refurbishment up to the value of £17,050	Yes	Yes	Yes

2.5 Street sign replacement and Improvement project

The DoR explained that a business case has been produced to improve the quality of road signage in Two Boats and Georgetown for both aesthetic reasons and for ease of identification by emergency services.

Councillor Nicholls welcomed the initiative overall but expressed his preference in purchasing a machine to make these signs, as opposed to purchasing bespoke signage. Councillor Nicholls asked whether AIG already owned a sign making machine. The DoOF explained that AIG does own a machine that can make signs however, this machine would not be suitable for the scale of this project. The DoOF highlighted that whilst a suitable sign making machine can be considered within the £10, 000 budget, the cost of materials, whilst being mindful to the rate of erosion given the harsh elements of Ascension, will need further exploration. Councillor Nicholls asked whether the Heritage Society had been consulted on with regards to any of signs

that are marked to be replaced. The DoOF* confirmed that the Heritage Society have not been consulted as yet, however it was thought that none of the signs are believed to be of Historical interest. Councillor Kerry Benjamin asked whether the structures themselves were scheduled to be replaced, the DoOF clarified that virtually all structures are sound with no structural repairs expected. It was noted that should structures be unsuitable, signs can be erected adjacent to them.

Councillor Nicholls noted that street names are not typically used on island and requested clarity on the priority for these proposed works. The DoOF explained that following a full island survey not only street names need replacement, but also directional signs and some statutory signs, excluding road traffic signage. Councillor Kerry Benjamin requested clarity on who would be completing the works. The DoOF explained that in the event that the sign making machine was not the best option, AIG would get three quotations from three different suppliers to produce the required signage. The work would then be awarded to the best overall value for money contractor, who would then create the signage, have it shipped to Ascension, with AIG completing the final installation on island. Councillor Kerry Benjamin noted that it was agreed that any road closure signage would be removed from this request.

*The DoOF declared that he is a member of the Heritage Society.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £10,000 for capital expenditure to the Development Fund for replacement street signs for the 2024/25 financial year forward as a recommendation to the Island Council?

Councillors agreed that further cost analysis was required to establish the best option between ordering in bespoke signage, compared with purchasing a sign making machine, therefore Councillors unanimously voted to not approve this business case.

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
5	Street sign replacement project up to the value of £10,000	No	No	No

2.6 Links West replacement windows and exterior renovations

The DoR explained that due to the age of Link West Properties and design issues, renovation works were now required, particularly in relation to doors, windows and exterior fencing.

Councillor Nicholls offered his support to this business case, highlighting that these properties have been progressively deteriorating. Both Councillor Kerry Benjamin and Councillor Alan Nicholls highlighted the lack of detail listed under the “materials costed” listed at £37,000. The DoOF explained that this project was priced in depth at the end of 2023 and includes materials such as windows, fencing, door frames and tiles. Councillor Nicholls expressed his reluctance to hold these essential works up, however requested that future business cases are furnished with more detailed costings of materials.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £40,000 for capital expenditure to the Development Fund for refurbishment works to Links West properties for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
6	Replace links west home windows and exterior renovations up to the value of £40,000	Yes	Yes	Yes

2.7 Chapel of Rest

The DoR provided a brief overview the improvements requested for the Chapel of Rest.

Discussion was had regarding back-up generator power at the Chapel of Rest, with consideration given to relocating a generator currently already on island. The DoOF explained that this required further exploration to confirm compatibility of equipment. It was confirmed that should this option be viable then a saving of £10,000 would be made.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £25,000 for capital expenditure for Chapel of Rest refurbishments for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
7	Chapel of Rest generator/improvements up to the value of £25,000	Yes	Yes	Yes

2.8 Replacement vehicle for Georgetown Post Office

The DoR explained that a suitable replacement vehicle for the Post Office team to carry out postal deliveries and collections is being requested.

Councillor Nicholls emphasised the importance of procuring a suitable vehicle for the Post Office, having received feedback that the current vehicle is not fit for purpose.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £22,360 for capital expenditure for a replacement Post Office vehicle for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
8	Replacement Post Office Vehicle up to the value of £22,360	Yes	Yes	Yes

2.9 Replacement vehicle for Painters/Carpenters

The DoR explained that a suitable replacement vehicle for the painters/carpenters to carry their day to day duties.

Councillor Nicholls requested details of what vehicle is currently being used and what vehicle is being procured, and from where. The PM explained that the currently used, a Vauxhall Combo, is coming to the end of its life and due to its age, parts are becoming obsolete. The replacement vehicle being requested is a long wheel base Ford Connect with side sliding loading doors procured from Team Leyland. The DoOF explained that where possible three competitive bids are produced with the best value for money being purchased. Councillor Nicholls requested confirmation that the figure of £22,910 include freight costs. The DoR confirmed that it does.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £22,910 for capital expenditure for a replacement Painters/Carpenters vehicle for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
9	Replacement vehicle for Painters/Carpenters up to the value of £22,910	Yes	Yes	Yes

2.10 Replacement AIG laundry equipment

The DoR referred to the business case for replacement of industrial laundry equipment.

Councillor Nicholls asked whether the AIG laundry facilities generates any income for the AIG. The DDoR explained that only a small amount of income is generated from external customers; which counter balances the cost that would have to be paid for the laundry to be done externally. The DDoR confirmed that the amount requested included two industrial washing machines and one industrial dryer only.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £13,000 for capital expenditure for replacement laundry equipment for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
10	Replacement Laundry Machines up to the value of £13,000	Yes	Yes	Yes

2.11 Replacement IT Equipment

The DoR explained that this is a standard annual request to adequately stock essential IT equipment, supporting any immediate replacement requirements, especially given the lead time for items to arrive on island.

Councillor Nicholls requested further information on what is purchased with this £10,000. The DDoR clarified that on average this would include 10 to 12 laptops per year, as well as 10 to 12 desktop working stations, and maybe some printers if required. Councillor Kerry Benjamin asked whether AIG were purchasing any servers with this money. The DDoR confirmed that they were not. Councillor Nicholls asked whether this standard request always came from capital expenditure fund, with the DDoR confirmed that it had.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £10,000 for capital expenditure for replacement IT equipment for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
11	Replacement Computer Equipment up to the value of £10,000	Yes	Yes	Yes

2.12 IT Software and Development

The DoR explained that an upgrade to the current accounting system is being requested to further utilise the package and improve efficiencies within AIG.

Councillor Nicholls suggested that specific costings should be presented with business cases, especially when specific software is being requested and information should be readily available. The DoR confirmed that software licences will require renewal soon, however the exact figures and exact dates of renewal are currently unknown.

Councillors agreed that further cost analysis was required and therefore unanimously voted to not approve this business case.

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
12	IT Software and development up to the value of £10,000	No	No	No

The DoR explained that the business case in relation to the demolition of derelict beach huts and Bungalow 34c in Georgetown has been withdrawn as this project is no longer eligible for Capital funding. Councillor Nicholls asked how the AIG intends to address these buildings instead. The DoR explained that consideration is being given to whether these works can be met from within existing revenue budgets, and if it cannot, a supplementary budget appropriation request may be made to the finance committee later in the year.

The DoR confirmed that the 10 of the 12 Capital Funding Business Cases were approved by Councillors, equating to £410,219. The DoR thanked councillors for their scrutiny and diligence in going through each of the business cases and providing feedback and recommendations.

3. 2024/25 Operational and Capital Budget Appropriation

The DoR explained that the Operations Budget allows for continuing the shipping operations between St Helena and Ascension, continuing to support the supply of fresh produce to the island, maintaining the Business Levy at its current rate, and the increasing of staff payments to recognise the growing cost of living.

The DoR referred to sheet one in the budget pack that shows the forecast revenue within the budget proposals being 6.1% higher than that budgeted for in 2023/2024, and 4.4% lower than that forecast outturn position for the same year. The forecast lower revenue within the proposal takes account of an expected drop in revenues following the completion of the runway project and the subsequent departure of contractors on island. The DoR explained that for forecasting purposes any expected upturn on island as a result of the recommencement of the South Atlantic Airbridge has been accounted for cautiously.

The DoR reported that operational budgets across AIG have been analysed and where possible efficiencies and savings have been made, however due to continuing high levels of global inflation and increasing challenges in maintaining infrastructure on the island there is a need to anticipate an increase in operational expenditure.

The DoR requested that an appropriation to the Consolidated Fund of £8.115M is made, noting an increase of £392K on the 2023/2024 financial year. The figure requested would also see an increase to headcount across the AIG of 1.7 full time equivalent (FTE) however, it is noted that there has been savings made due to the downgrading of posts as they have become vacant.

The DoR explained that whilst currently projections forecast an operating deficit of over £1,012K for the 2024/2025 financial year, this is deemed a realistic approach as we see the downturn in income tax revenue and an increase in cost pressures.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £8.115M for operational expenditure to the Consolidated Fund for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
13	£8.115M for operational expenditure to the Consolidated fund for 2024/2025	Yes	Yes	Yes

The DoR referred to the business cases scrutinised for recommendation under agenda item 2, where 10 out of 12 were recommended for approval.

The DoR asked each Committee Member in turn if they are happy to take the proposal for an appropriation of £410,219K for capital expenditure to the Development Fund for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
14	£410,219K for capital expenditure to the Development fund for 2024/2025	Yes	Yes	Yes

4. Business Levy

The DoR recommended that the Business Levy remain at the same rate as the previous financial year, noting that whilst the AIG are predicting budget deficits for the 2023/2024 and 2024/2025 financial year, the projected outturn position for 2023/2024 is forecast to be £474K better than budgeted for, largely due to tax revenue from the runway contractors extending into Q1.

The DoR asked each Committee Member in turn if they are happy to take the proposal of leaving the business Levy at the same level for the 2024/25 financial year forward as a recommendation to the Island Council?

	Proposal	Councillor Kyla Benjamin	Councillor Kerry Benjamin	Councillor Alan Nicholls
15	Business Levy to remain at the same level for 2024/2025	Yes	Yes	Yes

There was no further business and the meeting ended at 17:30

Siobhan

Siobhan Stewart
Clerk of Council

I certify that this is a true record of the meeting to which it relates.



Peter Thomas
Director of Resources – Chair of the Finance Committee