



## Informal meeting of the Ascension Island Council

10:00 on Tuesday 16<sup>th</sup> April 2024 at the Courthouse

### MEETING SUMMARY

Present: HH Simon Minshull, Administrator  
Director of Resources, Peter Thomas  
Councillor Kyla Benjamin  
Councillor Kerry Benjamin  
Councillor Alan Nicholls  
Councillor Gordon Worthington

In attendance: Matthew James, Crown Counsel  
Denise John, Clerk to Council

Apologies: Carl Mackerras, Head of the Administrator's Office  
Councillor Laura Shearer

The Administrator welcomed all parties and thanked everyone for attending.

#### **Matters Arising**

##### **Actions tracker.**

**Pets on the FIRS:** The Administrator said that whilst MOD are no longer taking pets on the FIRS from the UK to Ascension and Falkland Islands, permission has been given for residents on Ascension to put pets on the FIRS to return to the UK, but it is not certain how long that would continue for. This was not an option via the airbridge or the vessel from St Helena, so the only other option might be the Airlink via St Helena. The Ascension Desk Officer in Overseas Territories Polar Regions Directorate is working with the Administrator to get something in writing from the MOD. Councillors will be updated when further information is available.

**Future Vet Visit Plans:** The Administrator advised that AIG is working with the Falkland Islands and St Helena on this issue and will provide an update when more information is available.

#### **Verbal update on the 2022/23 Annual Audit**

The Director of Resources (DoR) confirmed sign off the accounts for 2022/23 is due shortly. The Auditor has made a disclaimer of opinion, which means he isn't giving an opinion and, while there are some points of details not totally agreed with, overall it was generally fair. The DoR said it was not where AIG needed to be so the focus will be on the 2023/24 audit and addressing issues via an agreed Action Plan. The Administrator advised that the Governor had been briefed. Councillor Nicholls asked what gave the DoR the most concern and why an opinion is not forthcoming. The DoR explained the reasons behind the Chief Auditor's decision and that a Report which doesn't give an opinion helps neither party, with issues focused on materiality in value and processes. There is absolutely no indication of fraud or wrong doing.

#### **Update on FCDO Economist's visit**

The DoR said FCDO Economists will visit Ascension for the week beginning 13 May on a Financial Review Mission to assist the AIG with medium term financial planning. The DoR welcomed the visit and encouraged councillors to provide feedback that would help define objectives, challenges and financial implications of decisions. Councillor Nicholls asked if the visit is instigated by the AIG or the FCDO. The Administrator said the AIG had instigated the request. The Economists' visit will enable a detailed assessment and a better understanding of the knock-on impact of budgetary decisions and the appraisal of options.

Councillor Worthington queried why the AIG's cash balance was decreasing, how AIG propose to address the potential deficit of over £1 million on the FY 23/24 budget moving forward, why the cash reserves have reduced and

if they would continue to do so. The DoR explained that in the period 2017-2024 the AIG's reserves had reduced by £5 million, but over that period spend on vital infrastructure projects was approximately £9 million. The intent is for 2024/25 to be a transactional year, but the AIG needs to avoid utilising reserves for operational deficits because that action will eventually deplete reserves leaving nothing tangible to show at the end of it. The forthcoming visit is important and feeds into the medium-term strategy and effective financial action plan. The AIG needs to be realistic to manage activities to a level which can be afforded to the money it receives and the DoR was hopeful that the FCDO will assist the AIG to identify options for new income streams and areas where then AIG can make savings. The Administrator explained that part of the Financial Review is to advise on the appropriate level of reserve the AIG needs to retain.

Councillor Nicholls asked if based on projections and the financial review, there been any indication FCDO will provide the AIG with a revenue stream. The Administrator said this review will not create an additional revenue stream, but it will provide the AIG with independent forecasts and options. The Administrator noted that the FCDO and UK government already provided funding for a number of stand-alone projects via the International Programme and Integrated Security Funds. Councillor Kerry Benjamin suggested UK and US should give a leeway for the AIG to generate their own revenue. The Administrator said it was a balance, the AIG were on-island to support the two military bases and the BBC operations effectively, so the strategic requirements on Ascension are different to other Overseas Territories. This visit is to aid understanding and enable economic experts to provide longer term advice. Crown Counsel said the AIG is actively exploring other revenue streams, for example by expanding its commemorative coins contract to generate additional revenue.

Councillor Nicholls did not feel this would be an easy exercise as there were many limitations on raising extra revenue, visitor access for example has its restrictions due to military bases and security concerns, so there was a need to look at additional methods to improve infrastructure. If things stay as they are, infrastructure will deteriorate even more leading to greater cost.

Councillor Worthington asked what the best way to create income streams, whether projects would be looked at to generate income for AIG, or if the approach would be to do less work and increase the taxes, which is not sustainable. The Administrator said this question cannot be answered now, the Economist team needs to take a strategic view of the finances and how the AIG can maintain the reserves it needs while still delivering the infrastructure, accommodation or housing, and roads projects the island needs.

Councillor Nicholls said roads came up all the time but the AIG doesn't have the resources or finances so was concerned where the money was going to come from. Councillor Kerry Benjamin also asked when the One-island Review would be delivered. The Administrator said FCDO and MOD are working up the document to be jointly signed off by a Minister. This would look at better co-ordinating between organisations to pool resources.

Councillor Worthington asked if lowering or changing of taxation has been addressed or reviewed. The DoR explained that this was one option, but the challenge is that any reduction in tax revenue increases the budget deficit, so money has to be found from somewhere.

Councillor Nicholls asked if the Financial Review is being done in tandem with the Future of Ascension document. The Administrator confirmed Future of Ascension and One Island Vision overlap and UK Ministerial sign off is underway, but the Financial Review Mission, although linked, is a separate piece of work. The Administrator urged councillors to have questions to put to the Economists to help the AIG's and FCDO's understanding of public views.

Councillor Worthington suggested seasonal tourism opening the island for part of the year as opposed to all year round to create revenue. Councillor Nicholls asked about whether cruise ships were still able to visit. The Administrator confirmed that the AIG is only honouring the current existing obligations for visiting cruise ships with the last one scheduled to visit in April.

#### **Any other business:**

Councillor Worthington asked for clarification of the AIG's provision of a Fire and Rescue Service outside of the Airhead as provided by Mitie. The Administrator confirmed AIG has an agreement with the MOD (DIO) and has been given an assurance of fire service cover.

Councillor Nicholls asked where funding would come from following recommendations from the recent visit of a

Fire Safety Consultant. The Administrator said it would depend on priority and costs of the works, some elements of work were already allocated to the International Programme, with an expectation that future programme funding would cover the cost of other works.

The next Formal AI Council Meeting will be held on 30 April 2024.

The meeting closed at 11:00

Denise John  
Clerk to Council