ASCENSION ISLAND GOVERNMENT

Clerk of Council's Office Ascension Island South Atlantic Ocean ASCN 1ZZ



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Formal meeting of the Ascension Island Council 10:00 on Monday 01 March 2021 at the Court House **MINUTES**

Present:

HE Dr Philip Rushbrook, Governor

[by phone]

Councillor Alan Nicholls

HH Sean Burns, Administrator

Councillor Kitty George Councillor Andrew Ellick

Gareth Morris, Director of Resources Allen Cansick, Attorney General

[by phone]

In attendance:

Robert Cheeseman, Crown Counsel

Xander Halliwell, Head of Administrator's Office

Catherine Leo, Assistant Director of Resources

Dr Diane Baum, Director of Conservation & Fisheries

Luke Atkinson, FCDO Desk Officer Siobhan Stewart, Clerk of Council

[by phone]

Apologies:

Welcome

The Administrator welcomed all parties and explained who was present for those attending by phone. The Administrator welcomed HE the Governor, Dr Philip Rushbrook who was back on St Helena after his recent four week visit to Ascension.

2. **Budget approval and recommendation**

The Director of Resources apologised for the late submission of revised figures and noted that this was predominantly due to the short notice increase to utility charges. Councillors indicated that they were happy to proceed.

Councillor Ellick requested that the caveats previously discussed in relation to the freeze on the business levy be included in the agreed budget pack. Crown Counsel explained that whilst the ordinance only allows one year, the publicised, distributed minutes give a clear indication that the intention is to freeze for a second year, pending the caveats mentioned in the minutes, highlighting that the AIG is not binding its self to the two-year freeze. The Administrator added that if after year one we see an increase in e.g. utility or other charges that result in the AIG running at a cash operating loss, the AIG reserve the right to increase the business levy after year one.

The DoR acknowledged that it may appear contradictory that the AIG froze the business levy and then Encompass increased their utility charges almost simultaneously, however the level of increase from Encompass might have been larger if the commitment of freezing the business levy for the next two years had not been made, noting that ultimately an increase in the cost of utilities is felt by each customer.

Councillor Ellick conveyed his disappointment in the short notice period of the increase by Encompass and encouraged the AIG to find out why an increase was required. The Administrator explained that he intends to meet with Encompass on behalf of the AIG and ask for more details as to why the increase was required.

Councillor Nicholls raised concern over freezing the business levy and how the public may view Council's decision following Encompass reporting an increase in utility charges, Councillor Ellick added that he would like Encompass to give an indication now as to whether they plan to increase Utility charges for the next financial year. Councillor Ellick encouraged small regular increases on Business Levy rather than the previous five year gap between increases.

The DoR explained that following several informal and formal meetings of the finance committee where Councillors were invited to challenge and scrutinise the budget and following the most recent formal meeting of the Finance Committee, members had voted to bring the proposed budget to Council to make a recommendation to HE the Governor. The DoR reported that when beginning the budget process, it was imperative that where possible, additional taxes and duties were avoided with the end goal of a cash neutral budget with minimal impact to island residents and small businesses, adding a capital spend budget of at least 50% of the forecast depreciation was hoped for. The DoR explained that whilst the budget number currently proposed met most of these goals, the capital spend is currently forecast to be around only 40% of the forecast depreciation, although this can be addressed later in the year.

<u>Revenue:</u> The DoR reported an increase in revenue streams such as income tax, due to the additional contractors on island, the commemorative coin agreement, with a guaranteed income of around £150,000 and a property licence agreement with Defence Infrastructure Organisation.

Expenditure: The DoR explained that the main increase in expenditure is employee costs, such as travel, salaries and staff utilities, highlighting that the budget includes a 1.9% salary increase across the AIG, with those on the lower salaries benefiting most. He went on to report the additional funds requested to support the hospital, to allow for additional staffing during the island COVID-19 status. However, this funding is only up until September 2021 and if the additional staffing is required beyond this time, an application will be made for a supplementary appropriation of funds accordingly.

The DoR reminded council of the three elements approved in the previous year's budget. Firstly the appropriation budget, secondly the increase in the business levy and finally the freeze on property tax. The DoR highlighted that whilst the appropriation budget and business levy have been discussed prior to today's meeting, the discussion around the freeze on property tax has been on hold due to one Councillor having declared an interest. The DoR recommended that this is picked up as soon as possible following a successful by-election on 04 March 2021.

3. Budget approval for 2021/2022

The requested operational expenditure budget for 2021/2022 is £6.685m which is an increase of approximately 3.8% on last year. The forecast revenue, excluding the runway construction special fund is just over £7.2 million, which is an increase of nearly 10%. These budgeted numbers result in a forecast operational cash surplus position of over £600,000, exceeding a cash neutral position. The final request is the appropriation request for the development fund of £528,000, representing 40% of depreciation.

The DoR acknowledged that the Finance Committee was willing to approve more capital bid requests, however due to some of to the business cases proposed not being strong enough and short on costins and other detail, Councillors felt unable to give approval. The DoR recommended that the Finance Committee meet again in early July 2021 to discuss the Q1 figures, where there may be the opportunity for business cases to be brought back with the detail required and a bid made for a supplementary appropriation of fund.

To summarise, Councillors were asked whether they are content to advise HE the Governor to approve an appropriation from the consolidated fund of £6.685m to finance the AIG operational activity for the financial year of 2021/2022. Councillors were also asked whether they are content to advise HE the Governor to approve an appropriation of £528,000 for finance project and capital spends.

Councillor Nicholls thanked the DoR for a well presented budget, noting that the forecast and outcome is very satisfactory given recent circumstances. However, Councillor Nicholls conveyed his concern over data that was submitted in relation to the development fund, highlighting that the information was supplied in

bits and pieces, with a lack of appropriate information, resulting in Councillors being unable to make an informed decision on bids. Councillor Nicholls requested that this feedback be taken on board to prevent very worthwhile projects being disapproved due to lack of information. The DoR and Administrator both thanked Councillor Nicholls for his feedback, noting that it has been taken on board.

	Proposal	KG	AE	AN	Governor
1	Budget approval for 2021/2022	Yes	Yes	Yes	Accepted

HE the Governoracknowledged Councillors recommendation and thanked them for their input leading up to today. The Administrator thanked Councillors and the Resources team for their hard work in preparing the budget.

Crown Counsel requested that Councillors recommend to HE the Governorthe draft appropriation ordinance. Councillor Nicholls highlighted one small typing error in the schedule and the DoR assured Councillor Nicholls that this will be rectified.

	Proposal	KG	AE	AN	Governor
1	Appropriation Ordinance	Yes	Yes	Yes	Accepted

Crown Counsel confirmed that the Business Levy amended ordinance, having been dealt with at a previous meeting and the draft appropriation ordinance have now been approved and he will now finalise the necessary paperwork to bring them into force.

4. MPA Management Plan and Legislation approval

The Administrator began by explaining the action point from the previous Informal meeting of the Ascension Council regarding the commitment of funding. An email to this effect has since been received from the FCDO's Blue Belt Programme team providing councillors the reassurance of three years of financial commitment they had requested.

Crown Counsel added that the draft legal note from the previous informal meeting has not changed. However he will send a final version to elected members for the record. He explained that when considering the Biosecurity Ordinance, Councillors felt that they had not been taken through the draft legislation in sufficient detail. Crown Counsel added that he hoped the legal note, keeling schedule for the National Protected Areas Ordinance, 2003 and the keeling schedule for the Fisheries (Conservation and Management) Ordinance, 2015 previously provided gave sufficient detail. Councillor Nicholls expressed his thanks to Crown Counsel, noting that the documents were very useful.

Crown Counsel thanked Councillor Nicholls for the feedback he had provided following the recent informal meeting, noting that minor amendments being made to the Ordinance. Crown Counsel went on to say that the final revised Ordinance had been sent to Councillors along with a tracked changed version to clearly show the amendments made.

Crown Counsel provided a brief overview of the key areas covered in the legal note dated 17 February 2021. He went on to explain the two key areas that were subject to change. Firstly, changes to the National Protected Areas Ordinance, 2003, specifically around how building development and mining are to be controlled within the MPA, highlighting that mining will be prohibited within all parts of the MPA, with the exception of scientific purposes. He noted that the licensing for scientific purposes will be detailed within regulations.

Secondly, Crown Counsel explained the decision-making process around managing building and development with the MPA, drawing attention to the key areas, such as the need for Administrator's permission and the requirement for an Environmental Impact Assessment, reference to the MPA management plan and advice from the DoCF to inform that decision. Crown Counsel explained that to

ensure transparency, consistency and quality decision making, decisions would be published and any affected person who wished to object to a decision would have a 14-day period during which to make representations to the Governor. This is to allow prompt, fair and efficient decision making.

Councillor Nicholls asked if these rules and regulations also applied to the Crown and Crown Counsel confirmed that they did not.

Crown Counsel provided detail regarding the prohibition of large scale commercial fishing within the entire MPA. The definition of large scale commercial fishing is based on economics rather than seeking a technical solution i.e. it is about the catch being exported for sale in another country. This should achieve the purpose of the management plan to prevent large amounts of fish being taken out of the MPA for sale elsewhere because the market for the sale of fish on Ascension Island is very limited. Crown Counsel added that within the MPA will be controlled fishing zones similar to the existing Offshore Fisheries Order where fishing can only be undertaken if licensed.

Councillor Nicholls noted that whilst there is an absolute prohibition to large scale commercial fishing across all of the MPA, asked if the text "subject to licence" provide a loop hole? Crown Counsel explained that large scale commercial fishing is not allowed anywhere in the MPA with no caveats. Other forms of fishing could be licensed. In the offshore area 12-200nautical miles from the island, licences will only be granted for research fishing following the necessary Environmental Impact Surveys and approval by the DoCF. Crown Counsel noted that the inshore fisheries management plan will be dealt with in slower time, whilst noting that addition zones other than the zero to 12 nautical mile zone and the 12 to 200 nautical mile zone can be added at a later date.

Councillor Ellick requested further detail regarding the rules beyond the 12 nautical mile zone for fishing platforms that were not fishing commercially, Crown Counsel explained that from an economic/commercial angle, the amount of time and money it would take to take a platform out 12 nautical miles would be commercially unattractive. The Administrator asked if sports fishing had been considered, and what restrictions would be imposed on them, Crown Counsel explained that beyond the 12 nautical mile zone, only research fishing can take place, with prior permission and licensing. Crown Counsel confirmed that recreational fishing within the 12 nautical mile zone is allowed and will be managed through the inshore fisheries management plan.

The DoCF reiterated that there will be no fishing beyond 12 nautical miles, other than licensed research fishing. Councillor Ellick highlighted that the AlG's aim is to prevent people catching fish in abundance, and that sports fishing vessels tend to catch only one or two trophy fish, and yet they remain restricted to within the 12 nautical mile zone. The DoCF explained that no one fishing from Ascension Island goes beyond 12 nautical miles, research shows that it is more likely to be large sports fishing operations who operate from outside Ascension within the Atlantic Ocean, with some already having showed interest in the sea mounts within the MPA. She went on to report the difficulty in managing the sea mounts over 100 nautical miles away, especially if businesses that are not registered on Ascension Island are operating within the MPA although monitoring of the AlS will detect fishing like behaviour. With a blanket ban within the 12 to 200 nautical mile zone, it will allow management of sports fishing in the MPA to be simplified and more efficient.

Councillor Ellick raised concerns over the Management plan and the Ordinance being contradictory, with the Ordinance highlighting the restriction on catching an abundance of fish and the Management Plan saying that out with the 12 nautical mile zone, no fish can be caught, other than for research purposes. The DoCF explained that across the whole of the MPA, from zero to 200 nautical miles there is no commercial scale fishing allowed and from 12 to 200 nautical miles there is an additional prohibition on all fishing with the exception of licensed research fishing. This is what is stated in the management plan and necessary to protect the MPA. The DoCF added that the ban on fishing from 12 to 200 nautical miles should have no impact on anyone living on Ascension Island as no one goes out that far out. The Ordinance only deals with the prohibition on large-scale commercial fishing because the prohibition on other types of fishing is best

addressed by modifying an existing piece of secondary legislation, the Offshore Fisheries Order. Crown Counsel confirmed that once the practical side of the licensing is organised, the secondary legislation can be completed. The DoCF added that in order to amend the offshore fisheries order, the ordinance needs to be changed first.

Councillor Ellick conveyed his concerns over the lack of clarity and mixed messaged between the Ordinance and Management plan.

Councillor Nicholls conveyed his contentment, noting that that MPA management plan specifically refers to large scale commercial fishing, which regulates what people can do on a large scale basis. The DoCF explained that the restrictions to large scale commercial fishing from zero to 200 nautical miles will ensure even within the 12 nautical mile inshore area, there will be no long line fishing, adding that with Ascension Islands steep drops offs commercial vessels may be attracted to fish within the inshore area.

Councillor Ellick recommended that it be taken away for further consideration. Crown Counsel explained that it is difficult to see what could be changed, whilst clarifying the two specific areas. Firstly there is the prohibition of large scale commercial fishing within the entire MPA, secondly the controlled fishing zones, where the offshore order from 2015 will change to allow fishing only for research purposes within the 12 to 200 nautical miles zone. These changes to the legislation are consistent with the policy described in the management plan, The DoCF confirmed that the management of the inshore fisheries will be dealt with separately.

Councillor George confirmed her contentment with the MPA management plan and the planned changes to legislation, adding that there is nothing contentious relating to inshore fishing within it, however she would be very interested in the inshore fisheries management plan, as this is likely to affect the community of Ascension Island.

	Proposal	KG	AE	AN	Governor
1	Consulted on the MPA Management Plan	Yes	Yes	Yes	Accepted
2	MPA Management Plan approval	Yes	Abstained	Yes	Accepted
3	Marine Protection Management Plan Ordinance be	Yes	Abstained	Yes	Accepted
	made in order to implement the Management Plan				

There was no further business and the meeting ended at 10:55

Siobhan

Siobhan Stewart Clerk of Council

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

Sean Burns

On behalf of HE the Governor, Dr Philip Rushbrook