



## **Formal meeting of the Ascension Island Council Finance Committee**

**16:30 on Thursday 20 March 2025 at the Court House**

### **MINUTES**

Present: Peter Thomas Director of Resources

Councillor Laura Shearer  
Councillor Kyla Benjamin  
Councillor Alan Nicholls

In attendance: Catherine Jones, Deputy Director of Resources  
Georgina Wilson, Clerk of Council

Apologies:

#### **1. Welcome**

The Director of Resources (DoR) welcomed all parties and thanked them for their attendance at the finance committee meeting.

#### **2. Review of Proposed Capital Funding Business Cases**

The DoR explained that the first item on the agenda relates to three proposed Ascension Island Government (AIG) capital funded business cases, which have been considered and discussed in detail at a previous informal meeting.

##### ***2.1 Replacement of 3 interactive smart boards and 10 computer monitors***

The DoR explained that the first Business Case to be considered is the replacement of 3 interactive smart boards and 10 computer monitors at Two Boats School. The business case is for expenditure of up to £9,000. The DoR highlighted the opportunity Councillor Nicholls and himself had to see the boards in action at the school, and Councillors voiced appreciation of the Head Teacher, Mrs Maggott's attendance at the recent informal meeting to explain to Councillors the need for the replacement smart boards, and how they work.

**The DoR asked each Committee Member in turn if they are happy to take the proposal, for an appropriation of £9,000 for capital expenditure to the Development Fund for the purchase of 3 interactive boards and computer monitors for the 2025/26 financial year, forward as a recommendation to the Island Council?**

	Proposal	Councillor Kyla Benjamin	Councillor Alan Nicholls	Councillor Laura Shearer
1	Purchase of 3 interactive boards and 10 computer monitors up to the value of £9,000	Yes	Yes	Yes

##### ***2.2 Annual ICT Replacement***

The DoR explained that the next item on the agenda is the standard annual request to adequately stock essential IT equipment, supporting any immediate replacement requirements in the 2025/26 financial year. The business case is for £10,000.

Councillor Nicholls thanked the Deputy Director of Resources (DDoR) for the breakdown of costs for the ICT equipment at the recent informal meeting

**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 2025/26 financial year, forward as a recommendation to the Island Council?**

	Proposal	Councillor Kyla Benjamin	Councillor Alan Nicholls	Councillor Laura Shearer
2	Replacement Computer Equipment up to the value of £10,000	Yes	Yes	Yes

### **2.3 Purchase industrial dryer**

The DoR explained that the final capital bid to be approved was a rework of a bid submitted at the most recent informal finance committee meeting for the purchase of an industrial washing machine and an industrial dryer. Today, the bid is only for an industrial dryer, which is for an amount of £10,000.

**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 the replacement of an industrial dryer for the 2025/26 financial year, forward as a recommendation to the Island Council?**

	Proposal	Councillor Kyla Benjamin	Councillor Alan Nicholls	Councillor Laura Shearer
3	Purchase of industrial dryer up to the value of £10,000	Yes	Yes	Yes

### **3. 2025/26 Operational and Capital Budget Appropriation**

The DoR explained that the Finance Committee has met informally, scrutinising the Operational Budget, and appraising potential bids for capital expenditure. Key decisions were made including an increase to staff payments to recognise the growing cost of living, supporting youth trainees into the AIG workplace, maintaining a budget to continue the subsidy of shipping between Ascension and Saint Helena and continuation of fruit and vegetable provision to AIG staff. The DoR thanked the committee for their hard work and diligence that has helped to put forward an overall budget request, that with the Councillor's agreement, may be taken on behalf of the Finance Committee to the full Council, in order that a recommendation may be made to the Governor for his approval.

The DoR requested that an appropriation to the Consolidated Fund of £8,391k is made, noting an increase of £276k, or 3.3% increase on the 2024/2025 financial year.

The DoR explained that a detailed analysis of all areas of income and expenditure within AIG has been carried out and savings have been made wherever possible. However, the agreement reached with Sure South Atlantic to continue the provision of essential telecommunications systems and maintaining resilience on this island, the provision of support to AIG to ensure that its information and communication technology is maintained, and increases in the cost of much needed medical provision has meant that AIG need to budget for an increase in expenditure for the 2025/26 financial year.

The DoR explained that budget information provided to members shows the forecast revenue within the

budget proposal were made on the parameters that income may be generated from increases in the rate of customs duty and the business levy. Councillors deemed it inappropriate to increase the business levy for the 2025/26 financial year and thus the forecast for AIG’s revenue for the 2025/26 financial year is £7,215,650 which is an increase from the projected current year position of £10,303 (0.1%) and an increase from the 2024/25 budget position of £102,816 (1.3%).

Using the forecast revenue estimate for the 2025/26 Financial Year without considering any increase to the business levy, the proposal for the appropriation ordinance is for operational expenditure of £8,391k and for capital expenditure to the development fund of £240k. The completion of capital projects approved in previous years AIG’s forecasted overall cash outflow for the financial year 25/26 is £1,695k. Whilst this remains a significant budget deficit, the budget has been set realistically as AIG is now experiencing a loss of income tax revenue and other income generated by the runway project. The budget projections take into account the target that has been set for Medium Term Financial Planning savings of £246,500 in the 2025/26 financial year.

The DoR opened up the floor for comments from Councillors. Councillor Nicholls explained his disappointment in the delay of starting the budget process, which usually begins in October. The late start of the budget process in early 2025 has meant that Councillors were rushed in reviewing the documents and papers put forward for review. He also highlighted the late additions of capital bids so close to the end of the financial year and hoped that going forward, the budget process would start earlier to allow adequate time to scrutinise the finance documents. Cllr Nicholls also reflected upon the negative impact that continuing budget deficits, in future financial years, may have on the island. Councillor Nicholls highlighted that while increases in duties and levies may be needed to deal with the deficit going forward, he raised the question of the public’s perception regarding the increases in budget costs, such as the increase in salaries during a time of budgetary pressures. He explained that AIG should be cautious about the situation they find themselves in, and explained that this would become unsustainable if they continue without addressing budget deficits. Councillor Nicholls referred back to 2009/10 when AIG were forced to make considerable redundancies due to financial pressures, Councillor Nicholls hoped that this would not be the case in the future. He hoped that alternatives could be found to increase AIG’s revenue in the future, but highlighted that Councillors would have a difficult situation to deal with in the future.

The DoR accepted the points and constructive criticism made by Councillor Nicholls. He explained that the delay in starting the budget process was due to a number of factors including awaiting the outcome of the Financial Review Mission report and that there was a large focus placed upon Medium-Term Financial Planning to be incorporated into the budget. The DoR thanked the committee members for their due diligence despite the time pressure they had been placed under. The DoR highlighted that the pay rise was below the rate of inflation and recognised that there are members of AIG on very low incomes which would benefit from an increase, and for all levels of staff there is a need to attract workers to the island to fill vacant positions. If wages remained low, then AIG risk losing staff, which costs AIG more to recruit and replace with a new person. The DoR committed to ensuring that the budget process would begin earlier next year to allow adequate time for Councillors to review documents.

Councillor Nicholls thanked the DoR for his response.

**The DoR asked each Committee Member in turn if they are happy to take the proposal, for an appropriation of £8,391K for operational expenditure to the Consolidated Fund for the 2025/26 financial year, forward as a recommendation to the Island Council?**

	Proposal	Councillor Kyla Benjamin	Councillor Alan Nicholls	Councillor Laura Shearer
4	£8,391K for operational expenditure to the Consolidated fund for 2025/2026	Yes	Yes	Yes

The DoR outlined that the approved capital bids for funding approval totalled £240,355. The approved capital bids for funding are summarised in the table below.

Project title	Estimated cost
Public Transport Iveco Daily 20-seater passenger mini bus	£61,439
Two Iveco Daily Tipper Vehicles	£76,948
Ford Ranger Dual Cab Truck	£34,500
Safety lowering device for crane operations	£3,033
Replacement Man Basket for the pier head forklift	£2,350
Industrial Heavy-Duty Ride on Lawn Mower, suitable for poor quality grass, weeds and light scrub land	£18,585
One 10,000 Litre fuel tank and one 2,400 Litre fuel tank	£14,500
Replacement of three Interactive Smart Boards and ten Computers Monitors	£9,000
Replacement of ICT equipment when needed during the 2025/26 financial year	£10,000
Industrial Tumble Dryer Machine	£10,000
<b>Overall Total</b>	<b>£240,355</b>

The DoR thanked officers and councillors for their scrutiny of capital bids and general restraint to capital expenditure which has taken place, recognising the financial needs of AIG.

Councillors highlighted that future capital bids should have appropriate documentation with appropriate quotes and relevant information to avoid any need to request further information, including clarification on the application and if other funding avenues have been explored before submission of a capital bid. DoR acknowledge that appropriate guidance can be given for the submission of capital bids and the DDoR agreed that the capital bid form can be updated to include more information in the application.

**The DoR asked each Committee Member in turn if they are happy to take the proposal, for an appropriation of £240,355 for capital expenditure to the Development Fund for the 2025/26 financial year, forward as a recommendation to the Island Council?**

	Proposal	Councillor Kyla Benjamin	Councillor Alan Nicholls	Councillor Laura Shearer
5	£240,355 for capital expenditure to the Development fund for 2025/2026	Yes	Yes	Yes

#### 4. Business Levy

The DoR explained that the business levy was reduced from an amount of £1,811,000 in 20/21 to its current level of £1,600,000. The reduction in business levy, and delaying of inflationary uplifts were afforded from income tax and other revenue generated by the runway project. AIG is no longer in receipt of income from this source. Whilst, in the opinion of the DoR raising the level of the business levy would be a fair and justified step to addressing AIG's budget deficit, as part of its overall Medium Term Financial Plan to get back to a balanced financial budget, the DoR also agreed with the advice received from the island council and legal representatives that AIG have not carried out consultation with island stakeholders, and therefore it is not appropriate to attempt to increase the business levy for the 2025/26 Financial Year.

Councillors agreed that the levy would need to be retained at its current rate as it was too late for any meaningful consultation. Councillors requested a detailed plan be made for the consideration of the setting

of the business levy for the 2026/27 financial year, including the timing of consultations to take place sooner. It was agreed to maintain the current rate of business levy, in the light of a consultation exercise not having taken place.

**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 2025/26 financial year, forward as a recommendation to the Island Council?**

	Proposal	Councillor Kyla Benjamin	Councillor Alan Nicholls	Councillor Laura Shearer
6	Business Levy to remain at the same level for 2025/2026	Yes	Yes	Yes

## 5. AOB

Councillor Nicholls thanked the DoR for responding to requests for information, which enabled an informed decision to be made on bids.

The DoR thanked Councillor Shearer and Councillor Benjamin for stepping in to ensure a quorum was met for the Finance Committee and appreciated their taking on additional workload, at late notice, in order for the budget setting for 2025/26 to take place.

There was no further business and the meeting ended at 17:07

Georgina Wilson  
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*