



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 3 p.m. – 3.40 p.m.

Gibraltar, Tuesday, 9th July 2024

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The Gibraltar Parliament

The Parliament met at 3 p.m.

[MADAM SPEAKER: Hon. Judge K Ramage GMH *in the Chair*]

[CLERK TO THE PARLIAMENT: J B Reyes Esq *in attendance*]

Appropriation Bill 2024 – Clauses considered and approved – Concluded

Madam Chair: All right. We left it at appendix D before the break. Does any hon. Member wish to say any last comments on appendix D? Yes, the Hon. Mrs Ladislaus.

5 **Hon. J Ladislaus:** At the bottom of page 205, I am at line 19, the Telephone Service. One can see that the estimate 2023-24 is £300,000 but the forecast outturn was £530,000. It is £230,000 over for a telephone bill. Could the Hon. Minister perhaps clarify the reason for such an increase?

10 **Minister for Health, Care and Business (Hon. G Arias-Vasquez):** Madam Speaker, the GHA has cut their estimate in this respect. This relates to the service that they have resending out text messages, etc., so the expenses there are now settled.

15 **Hon. J Ladislaus:** Now moving to head 20 on Printing and Stationery, it is much the same so the estimate was £85,000 and we see that the actual forecast outturn was £280,000. Could the Hon. Minister perhaps explain the reason for that?

Hon. G Arias-Vasquez: Sorry Madam Chair, the reason why it is down to 250?

20 **Hon. J Ladislaus:** The reason why the – so the estimate for 2023-24 was £85,000 but the actual forecast outturn is £280,000 which seems like quite a steep leap upwards. Could the Hon. Minister explain the reason for that?

25 **Hon. G Arias-Vasquez:** Madam Chair, costs have been incurred in this area for the printing of information booklets for patients.

Hon. J Ladislaus: Could the Hon. Minister perhaps elaborate on which such booklets have been printed?

30 **Hon. G Arias-Vasquez:** Madam Speaker, there are numerous printing services that have been incurred, in particular in relation to the Ambulance Service and Public Health, and Pathology has also incurred printing and stationery costs. The costs also incurred in relation to the rental of photocopiers. That is £152,617 is the estimate, based on the forecast outturn for last year. So there are numerous things included in that Head.

35 **Hon. J Ladislaus:** I am now at line 23 on the next page, GPMS Prescriptions, and there is a line beneath it, Drugs and Pharmaceuticals. Could the Hon. Minister just confirm whether I am right

in saying that GPMS prescriptions is prescriptions that you would get if you went to the PCC, whereas drugs and pharmaceuticals is everything else? Am I correct in my understanding?

40 **Hon. G Arias-Vasquez:** Madam Chair, that is correct. GPMS prescriptions relates to what we would narrowly understand by prescriptions. So when you go to see your GP, the blue form, the blue slip that you are in effect given at that point. Whereas drugs and pharmaceuticals relates to everything else that is provided in the hospital.

45 **Hon. J Ladislaus:** Madam Chair, the estimate for 2023-24 for GPMS prescriptions, we can see at £9 million and the forecast outturn 2023-24 is £12 million. So there is a £3 million overspend on the estimates. My understanding is that there have actually been cuts as to the amount of drugs that are prescribed now, so that some drugs have to be bought across the counter by individuals. For example, some antihistamines must be bought by the person over the counter because the GHA no longer prescribes. Can the Hon. Minister therefore account for the fact that
50 there is a £3 million difference between that estimate and the forecast outturn?

Hon. G Arias-Vasquez: Madam Chair, what has actually been happening in relation to this is that some generics have been prescribed. So whereas some things are no longer prescribed by
55 the GHA, and there has also been a change in terms of the type of medicines that are prescribed, but that forecast outturn is completely demand-led. So it is what has been required by patients in Gibraltar. Fortunately, or unfortunately, there has been a steep increase in the price of pharmaceuticals worldwide and that is reflected in that forecast outturn.

60 **Hon. J Ladislaus:** Line 35, Compensation and Legal Costs, so I can understand why there was an estimate of £1,000 because obviously we do not know how that is going to pan out but £2.495 million for compensation and legal costs seems somewhat steep. Could the Hon. Minister confirm whether that is in respect of perhaps one or two bigger cases or a number of cases going across?
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Hon. G Arias-Vasquez: Madam Chair, that is in relation to the number of cases that have been either settled or have been taken to court by claimants. That is again entirely demand driven and it is responding to what happens in that in any given year.

70 **Hon. J Ladislaus:** Madam Speaker, we are now at line 39, which is Sponsored Patients. So the estimate for 2023-24 at £10 million and the forecast outturn for 2023-2024 at over £16 million. We can see that there is overspending, shall we call it, of over £6 million. Can the Hon. Minister perhaps shed some light as to the reason for such a high increase in what was estimated?

75 **Hon. G Arias-Vasquez:** Madam Speaker, again, sponsored patients is something that is entirely demand led. If any Gibraltar resident requires being sent to a tertiary institution, sponsored patients will look to send to that tertiary institution. The reason that the budget has gone down to £11 million this year, as I explained in my Budget speech, is because we are now repatriating quite a few of those services to Gibraltar. So we expect a significant decrease in the amount of
80 sponsored patients that require to be sent to tertiary institutions in the UK and/or Spain.

Hon. J Ladislaus: Madam Chair, I am now at line 55, the Hospital Rental, we can see that the estimate was £5.080 million but it has coming at a forecast outturn of £5.2 million and moving forward that is the estimate again. So there is a £120,000 increase in rental for the hospital premises. Could the Hon. Minister confirm, is that due to the usual increase in rent and rates that
85 we would see? Or is there another explanation for that?

90 **Hon. G Arias-Vasquez:** Madam Speaker, I am informed by the team, by the Financial Secretary's team behind me, that the change year-on-year is because we refinance and we change banks. I am informed that was stated in the Chief Minister's Budget speech last year.

95 **Hon. J Ladislaus:** Now, at line 59 of the same page, Maintenance of Ambulance Fleet. We can see nought in the actual estimate and forecast outturn columns until we reach the estimate for 2024-25, where there is an £107,000 estimate. Could the Hon. Minister perhaps elaborate as to the reason for that, why it is not until we reach this year?

100 **Hon. G Arias-Vasquez:** Madam Speaker, in the same way as the bus fleet has a programme for maintenance, we are looking to enter into a structured programme for maintenance for the ambulance fleet. That is currently out for tender or we are looking to put that out for tender in the next few weeks. But the reason for that is that we want to have a structured programme where we know the costs of the maintenance of the ambulance fleet.

Madam Chair: We move on to appendix E, please.

105 **Clerk:** Appendix E, Gibraltar Health Authority, Elderly Residential Services Section.

Madam Chair: Anything on appendix E?

110 **Hon. A Sanchez:** Madam Speaker, moving to line 32, Insurance Expenses. Can the Hon. Minister clarify why the forecast outturn for insurance increased so much in 2023-24 and then has gone back down for the next year? Is there a specific reason for this?

115 **Hon. G Arias-Vasquez:** Madam Speaker, I am informed that the premium went up last year because it was entered into quite late on. We have tried to secure that premium quite early on this year and ensure that the price of that has gone down significantly. Therefore the price for that has reduced in this financial year.

120 **Hon. A Sanchez:** Madam Speaker, moving to line 44, Other Facilities. Can the Hon. Minister clarify what other facilities are referred to in this line.

Hon. G Arias-Vasquez: Madam Speaker, this is in reference to the Jewish home.

125 **Madam Chair:** I will remind both hon. Ladies that we are in Committee, so we are Chair not Speaker.

Hon. G Arias-Vasquez: Apologies.

Clerk: Appendix F, Care Agency.

130 **Hon. A Sanchez:** Madam Chair, given that – sorry, moving on to line 2, Manning Level Maintenance. Given that this is the most significant figure in the overtime figures for the Care Agency and given the actual figure for 2022-23 and the forecast outturn for 2023-24, does the Hon. Minister believe that the estimate for 2024-25 is a realistic one?

135 **Hon. G Arias-Vasquez:** Madam Chair, again, this is a result of changes in the complement. So if we look at the figures of the complement, a lot of the part-time positions have now been changed to full-time vacancies. As a result of change in the complement, so the part-time vacancies are now full-time time vacancies, we do believe that we can bring under control the

140 manning level maintenance. That is a reason for quantifying that reduction in the manning level
maintenance in the figures.

Hon. A Sanchez: Moving on to line 12, Relief Cover. The total estimate for the Care Agency
budget in 2023-24 was almost £20 million and the forecast outturn for 2023-24 for relief cover
alone was almost £14 million. Could the Hon. Minister clarify what relief cover constitutes in detail
145 so we can have a clearer idea of where this overspend went to?

Hon. G Arias-Vasquez: Of course, Madam Speaker. Relief cover relates to the services provided
by care workers in relation to services relating to children in care, etc. So this is a main area where
we are looking to make the most efficiencies and we have actually got a recovery plan in place to
150 try and bring this figure to the budgeted £11 million.

There are numerous factors which are now being looked into by the Care Agency in order to
reduce this figure and bring it under control. For example, we are looking to increase care leaders
and factor in different ways of giving the same level of service. So the reduction that the hon. Lady
is referring to here, Madam Chair, is purely driven by efficiencies which we are asking the Care
155 Agency to make in the service without affecting the level of care.

Hon. Dr K Azopardi: Can I just understand that? Because if the estimate for last year was
£4 million and they spent £13.8 million on relief cover, it is a very significant sum. So this sum goes
to a churn created by a need, for example, to have more carers on call, if there are people that
160 require carers. It must be a very significant number of carers and need, because, I mean, obviously,
the year before they spent £10.3 million.

This year, you are forecasting for next year spending £11 million, so it is suggestive of quite a
significant number of carers that are required almost on a daily basis. Is that right? If so, what
exactly in the discussions with the contracted entities can be done? Is it a question of expanding
165 those contracts? Is it a question of achieving efficiencies, to use the word of the Minister, by
focusing on what?

Hon. G Arias-Vasquez: Madam Chair, the best way to explain this is by giving concrete
examples. So, for example, this is driven by the number of children in care and unfortunately the
170 number of children in care has increased year-on-year. So to give you a concrete example, which
I think answers the Leader of the Opposition's point entirely, is in order to cover for eight children
in care, we need 58 carers. So the more we reduce the number of children in care in ways which
are most appropriate for those children, the more we reduce the number of carers.

So we have numerous children in care at the moment, Madam Chair, which are 18-year-olds.
175 So we are looking to reallocate those houses. I am working with the Hon. Minister for Housing in
order to reallocate those children from care into their own flats in order to reduce the number of
carers that we need. There are other examples. For example, there have been very successful
opportunities that we have had in foster care where children that have been in care have actually
been fostered. So the number of children in care is being reduced in ways which is actually
180 beneficial to those children and thereby reducing the need for carers. But the need for relief cover
is driven almost entirely by numbers, such as the number of children in care.

Hon. Dr K Azopardi: That is helpful to understand it. So just for confirmation, this entire figure
is going towards care of children, there is no relief cover for adults?
185

Hon. G Arias-Vasquez: Madam Chair, that was an example of the type of circumstances which
give rise to relief cover. The relief cover goes to children and adults, but it is an example of the
type of efficiency that we are asking the Care Agency to make. We are looking to ask the Care
Agency to look into each and every case to see how we can better the circumstances of each and
190 every individual, and at the same time make efficiencies and save money.

Madam Chair: Anything else on appendix F?

195 **Hon. R M Clinton:** Yes, Madam Chair. On line 35, Day Centre, estimated £80,000 for 2023-24, coming in at £140,000, estimated next year £70,000 but the outturn for 2022-23 was in fact £134,000. So we are projected next year to see half of what we spent this year. Can the Minister explain?

200 **Hon. G Arias-Vasquez:** Madam Speaker, once again, we have asked the Care Agency to make efficiencies and they have produced a detailed plan on savings they can make in terms of the Day Centre. The detailed plan comes to £70,000. This is driven by efficiencies, Madam Chair, that the Care Agency itself has thought they can make in the Day Centre.

205 **Hon. R M Clinton:** Madam Chair, would she have an example of the sorts of efficiencies she is talking about for a day centre? I would have thought there would not be much scope or flexibility in the running of a day centre. I would be interested in any examples the Minister might have.

Hon. G Arias-Vasquez: Unfortunately, Madam Chair, I do not have specific examples in terms of the Day Centre, but I can make sure that those come to the hon. Member.

210 **Hon. A Sanchez:** Madam Chair, we will move on to line 30, Home Support Disability Review. Can the Hon. Minister clarify what the Home Support Disability Review consists of and perhaps she can clarify who is conducting the review and how these costs are being incurred?

215 **Hon. G Arias-Vasquez:** Madam Chair, this line relates to the Community Learning and the Disabilities Team, so its costs derived entirely from this service.

Hon. A Sanchez: The Disability Learning Team is conducting the review themselves?

220 **Hon. G Arias-Vasquez:** These are costs incurred by the team, yes.

Hon. A Sanchez: But can the Hon. Minister clarify who is conducting the review? It says it is a Home Disability Review. Someone must be conducting the review. Can she clarify who is conducting the review?

225 **Hon. G Arias-Vasquez:** Madam Speaker, whilst the heading can be somewhat misleading, this is a cost of the services such as Boathouse. So the Community Learning Disabilities Team, it is the cost of the entirety of that service provision.

230 **Hon. E J Reyes:** Madam Chair, in 44, Security Services is an estimated provision for only half as much as that forecast outturn for 2023-24 or even the actual out turn for 2022-23. Does that mean there has been a reduction in the services required?

235 **Hon. G Arias-Vasquez:** Madam Chair, yes. It is deemed that some of the security services provided are not required and therefore there has been a reduction in security services provided.

Hon. E J Reyes: We see that there is a focus outturn of an *ex-gratia* payment made which even surpasses the estimate for the total security services expected for this year. What was that *ex-gratia* payment made?

240 **Hon. G Arias-Vasquez:** Madam Chair, these were claims awarded by the tribunal.

Madam Chair: Anything else on appendix F? Move on.

Clerk: Appendix G, Gibraltar Electricity Authority.

245 **Hon. Dr K Azopardi:** Can I ask on Item 24, which is the Contribution to ES Ltd? I note that it went up between 2022-23 and 2023-24 by £1 million, and projecting to go up by £1 million again. Can we have confirmation of why that is the case?

250 **Hon. G Arias-Vasquez:** Madam Chair, the contribution to ES Ltd includes the financing of the North Mole Power Station. The increase by £1 million includes the financing of the North Mole Power Station, the long-term service agreements with MAN, and the emissions monitoring contract.

255 **Hon. R M Clinton:** Madam Chair, on line 21, Contribution to Zero Carbon Footprint Ltd, which is a new line item for 2024-25, £1.5 million. Can the Minister explain what this is for and if she has any information on the company, where it is incorporated and who owns it?

260 **Hon. G Arias-Vasquez:** Madam Chair, the company is a 100% Government-owned company and that is entering into all the contracts for the BESS. So the £1.5 million relates to the financing of the BESS.

265 **Hon. R M Clinton:** This is a recurrent expenditure, not capital expenditure? When you say 'owned by the Government' is this directly owned by the Government of Gibraltar or through some other entity?

Hon. Chief Minister: Madam Speaker, all financing costs are recurring costs, that is why they are always booked as recurring costs.

270 **Hon. R M Clinton:** Madam Speaker, so this is financing costs, how much is being borrowed then to purchase these batteries? I am not sure that information is in the public domain.

275 **Hon. G Arias-Vasquez:** Madam Chair, let me make that clearer. Those are the contract costs with SCA, which is the company the Government is entering into its agreement with for the provision of the BESS. The £1.5 million includes the costs of the ongoing arrangements with SCA. It is in the press release relating to the BESS project.

280 **Hon. R M Clinton:** Just finally, Madam Speaker, the ownership of the company, which is owned by the Government, is this directly by the Government or intermediary company or Gibraltar Development Corporation? I would be very grateful if she could assist.

Hon. G Arias-Vasquez: Madam Chair, we believe it is a GDC-owned company.

Clerk: Appendix H, Gibraltar Port Authority.

285 **Hon. D J Bossino:** I am going to take the Minister to 12, which is the Maintenance of Port Installations. Can she explain why there was an increase from one year to the next of £205,000? I think the ambition, at least at this stage, is to bring the figure back to what it was previously but there seems to be a blip between those two years. Well, the same year, but the estimated amounts does not reflect the forecast outturn.

290 **Hon. G. Arias-Vasquez:** Madam Speaker, this relates to a rental agreement that the Port entered into for the rental of – sorry, Madam Chair, this relates to a rental agreement that the Port entered into for the rental of fenders at the port.

295 **Hon. D J Bossino:** Sorry, and the rental agreement resulted in this increase and now it is going
back down? I do not understand why there is that sudden spike in the figures. You would have
thought that if there is a rental agreement that would be stable.

Hon. G Arias-Vasquez: Madam Chair, it was a temporary rental agreement that was entered
300 into for the rental of fenders at the port.

Hon. D J Bossino: In relation to the 20, which is the Vessel Tracking System, she answered
under the pink pages, a capital expenditure that was going to be incurred, I think she said, in
relation to that. So can she explain why there has been an expected increase in the figures there?
305

Hon. G Arias-Vasquez: Madam Chair, similar to the answer given previously in relation to one
of the other portfolios, there is a difference between the capital expenditure, which is covered in
the pink pages, and the maintenance expenditures, which is covered in these pages. So line 20 in
the GPA's portfolio relates to the maintenance of the VTS system.
310

Hon. D J Bossino: Yes, I appreciate that but my question was why the increase?

Hon. G Arias-Vasquez: Madam Speaker, the increase is due to various annual increases. It is
an SLA agreement, the VTS system maintenance which is increased. This includes the VMS
315 maintenance and modifications, radar replacements and maintenance and the spare parts. Also
there is a mandatory virtual server licence renewal fee.

Madam Chair: Anything else on appendix H? Next.

320 **Clerk:** Appendix I, Housing Works Agency.

Hon. D J Bossino: Yes, if I can take the Minister to 4, which is Bonus Payments. Can she explain
what that relates to?

325 **Hon. Chief Minister:** Madam Speaker, those are the bonus payments under the agreement
that we inherited from them when we were elected.

Madam Chair: Anything else on Appendix I. All right, move on.

330 **Clerk:** Appendix J, Gibraltar Sports and Leisure Authority.

Hon. E J Reyes: Madam Chair, on 26, below the Cleaning Services, again, there is *ex-gratia*
payments estimated outturn £55,000. But the year before, it was close to that. It was £49,770. So
it seems to be something that is recurring. What was it exactly? Was it another court judgment?
335 What caused us to pay the *ex-gratia*?

Minister for Industrial Relations, Civil Contingencies and Sport (Hon. L M Bruzon): Madam
Chair, that refers to a member of staff who was supernumerary and left. That was the payment.

340 **Hon. E J Reyes:** So if it has happened on two consecutive years it must be more than one
member of staff and why does someone who was supernumerary suddenly receive an *ex-gratia*
payment? Surely they either were employees. At the Sports and Leisure Authority there is a
contributory and well-established pension scheme there so it does not quite justify that expense.

345 **Hon. L M Bruzon:** Madam Chair, there are two individuals, one one year and the other the
other year and that was what they were owed as part of their retirement.

350 **Hon. Dr K Azopardi:** Sorry, I am not sure if we caught on this side, the Minister is saying that these are early retirement payments to individuals who work for the GSLA on a supernumerary basis, they are not *ex-gratia* payments like the other item in the other appendix which were as a result of a court judgment? These are agreed payments by way of early retirement. Is that what the Minister is saying?

355 **Hon. Chief Minister:** No, Madam Chairman, these are not in the nature of the *ex-gratia* payments that you saw on the other schedule, those related to civil servants in particular and other individuals. These are severance payments in effect, they are not early retirements, they are severance payments in effect and that is why they are booked here.

360 **Hon. Dr K Azopardi:** Severance payments of civil servants working under the GSLA, on what basis, I am not sure?

Hon. Chief Minister: Direct employees of the GSLA, Madam Chair.

Hon. Dr K Azopardi: Direct employees of the GSLA so not Crown employees?

365 **Hon. Chief Minister:** Madam Speaker, whether or not they are Crown employees is another argument because there is an argument anybody who receives emolument from the Crown is somehow a Crown servant, but these would be paid by the GSLA and they are direct employees of the GSLA, not civil servants, not GDC employees.

370 **Madam Chair:** Anything else on appendix J? Yes.

Hon. R M Clinton: Thank you, Madam Chair.

375 On line 21, Bathing Pavilion Expenses, estimate £90,000, outturn for 2023-24 £160,000 and then reducing to £90,000 again in 2024-25. There is £70,000 difference either way. I would be grateful for some explanation from the Minister.

Hon. L M Bruzon: Yes, Madam Chair, they just refer to increases in that particular year to the maintenance and upkeep of the facilities.

380 **Hon. R M Clinton:** But I imagine there is a set maintenance contract or are these items under the contract which are outside the normal scope of work?

385 **Hon. L M Bruzon:** Madam Chair, there are no maintenance contracts. Repairs are undertaken as and when required.

Madam Chair: Anything else on appendix J. Sorry, was there something else? No. Appendices B to J stand part of the Bill. Clauses 7 and 8 stand part of the Bill.

390 **Clerk:** The Schedule.

Madam Chair: The Schedule stands part of the Bill.

Clerk: The long title.

395 **Madam Chair:** The long title stands part of the Bill.

**Appropriation Bill;
Limitation Periods (Amendment) Bill 2023;
Mutual Legal Assistance (International) (Amendment) Bill 2023 –
Third Reading approved: Bills passed**

Clerk: The Hon. the Chief Minister.

Hon. Chief Minister: Madam Speaker, I have the honour to report that the Appropriation Bill 2024, the Limitation Periods (Amendment) Bill 2023 and the Mutual Legal Assistance (International) (Amendment) Bill 2023 has been considered in Committee and agreed to with no amendments, and I now move that they be read a third time and passed.

Madam Speaker: I now put the question which is that the Appropriation Bill 2024, the Limitation Periods (Amendment) Bill 2023, the Mutual Legal Assistance (International) (Amendment) Bill 2023 be read a third time and passed. Those in favour of the Appropriation Bill 2024? (**Members:** Aye) Those against? (**Opposition Members:** No). Carried.

Those in favour of the Limitation Periods (Amendment) Bill 2023? (**Members:** Aye) Those against? Carried.

Those in favour of the Mutual Legal Assistance (International) (Amendment) Bill 2023? (**Members:** Aye) Those against? Carried.

Hon. Chief Minister: Madam Speaker, in those circumstances, and given that there is nothing else in the Order of the Day, I would now move that the House should now adjourn *sine die*.

Madam Speaker, to assist all hon. Members, I should indicate that it is not the Government's intention to call another meeting of the House for this month, given commitments that the Deputy Chief Minister and I expect to have in the context of continued international obligations. So I move that the House should now adjourn *sine die*.

Madam Speaker: I now propose the question, which is that this House do now adjourn *sine die*. I now put the question, which is that this House do now adjourn *sine die*. Those in favour? (**Members:** Aye) Those against? Passed This House will now adjourn *sine die*.

The House adjourned at 3.40 p.m.