

REF: EST/5/10

GOVERNMENT CIRCULAR NO. 4 OF 8 JUNE 2009

TO: Permanent Secretaries  
Hon. Attorney General  
Department Heads  
All Public Officers  
H E, The Governor (for information)  
Ministers of Government (for information)

**AUSTERITY MEASURES**

Anguilla and by extension the Budget of the Government of Anguilla continue to be impacted by the sharp slow down in global economic activity. The Government of Anguilla has been adopting certain austerity measures in response to the global financial crisis. The current difficulty being experienced in meeting monthly expenditure has necessitated further austerity measures by Government.

On Wednesday June 3, 2009 Executive Council agreed to the following for a period of six months in the first instance, effective July 1, 2009, to sharply reduce expenditure:-

- (i) the figures for travel allowance categories A to E will be as follows:-  
(\$225.00, \$175.00, \$125.00, \$75.00, \$62.50 respectively);

Council further agreed that travel allowance categories should be continuously reviewed to ensure that officers are placed in the correct categories.

- (ii) telephone allowance will remain at the current reduced level;
- (iii) salary payments be reduced by the amounts set out below:-

- a) Hon Deputy Governor, Hon Attorney General and  
Public Officers in grades A-F - 10%

Public Officers in grades G-M - 5%

Public Officers in grades A-F who did not receive the 25% salary increase in September 2008 should have the increase actually received reduced using the following formula to determine the percentage reduction  $(10 \div 25 \times \% \text{ increase in salary actually received in September 2008} = \% \text{ amount current salary to be reduced by})$ . This is proposed

exceptionally on moral grounds particularly as persons would have made financial commitments based on their prior salary. This exception must not be construed as giving affected persons any rights or benefits that they would not have otherwise accrued.

- b) All elected Members of HoA - 15% (of ministerial and HoA allowances)
  - Speaker and Nominated Members - 5%
  - Special Assistants/Advisers/  
Specialist Worker - 10%
  - Wage Workers - 5%
- (iv) pensioners will not be affected by any reductions;
  - (v) officers retiring during the temporary salary suspension period will be afforded their retirement benefits (gratuity and pension) based on their current salary and not at the reduced salary;
  - (vi) all officers including “contract” officers will be subject to the temporary suspension of benefits;
  - (vii) the GoA will communicate with financial institutions to request that civil servants who require their loans to be refinanced be granted that service at no cost;

Council noted that the GoA cannot commit to giving back the suspended funds at this time but undertakes that if the situation changes positively and significantly, consideration will be given to either partial or full reimbursement of the suspended funds.

Public Administration acknowledges the historic nature of these measures and the personal sacrifice officers will be required to make. However, it is hoped that public officers will recognize the seriousness of the situation and understand that the measures being instituted come after considerable deliberation.

Public Administration continues to urge officers, especially at this time, to remain vigilant in the collection of government revenues, be professional in the performance of designated duties and practice sound work ethics.

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Lana Horsford-Harrigan  
Director Human Resource Management  
Public Administration

Copy – Honourable Deputy Governor