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MINUTES OF THE 113th MEETING OF THE TWELFTH ANGUILLA
EXECUTIVE COUNCIL HELD ON THURSDAY 17th NOVEMBER 2022 AT 9.00 AM

- PRESENT: Her Excellency the Governor, Ms Dileeni Daniel-Selvaratnam
- The Honourable Premier and Minister for Finance, Economic Development & Investment and Health, Dr Ellis Webster
- The Honourable Deputy Governor, Mr Perin Bradley
- The Honourable Minister for Social Development, Cultural Affairs, Youth Affairs, Gender Affairs, Education and Library Services, Ms Dee-Ann Kentish-Rogers
- The Honourable Minister for Home Affairs, Immigration, Labour, Human Rights, Constitutional Affairs, Information and Broadcasting, Lands and Physical Planning, Mr Kenneth Hodge
- The Honourable Minister for Infrastructure, Communications, Utilities, Housing and Tourism, and Acting Minister for Sustainability, Innovation and Environment, Mr Haydn Hughes
- The Honourable Attorney General, Mr Dwight Horsford
- Clerk to Executive Council, Mrs Angela Hughes
- IN ATTENDANCE: The Honourable Parliamentary Secretary, Mr Merrick Richardson
- Financial Specialist, Mr Stephen Turnbull
- ABSENT: The Honourable Minister for Sustainability, Innovation and Environment, Mrs Quincia Gumbs-Marie

EX MIN 22/361

CONFIRMATION OF THE MINUTES

Hon Parliamentary Secretary and Financial Specialist remained.

Council confirmed the Minutes of the 112th Meeting of Executive Council held on Thursday 10th November, 2022 and the Special Meeting of Executive Council held on Friday 11th November 2022.

MATTERS ARISING FROM THE MINUTES

EX MIN 22/362

EX MEMO 2022/260 APPROVAL OF COST OF LIVING SUPPORT MEASURES

Hon Parliamentary Secretary and Financial Specialist remained.
The following persons joined the meeting:

PS EDMSIE, Mrs Chanelle Petty-Barrett
PAS Finance, Ms Marisa Harding-Hodge
Budget Director, Ms Jamila Gumbs
Director of Economic Planning, Ms Rhina Meade
Chief Project Officer, Ms Anthea Ipinson
Trade & Investment Officer, Mr Khari Goddard

The PAS Finance briefed Council. Council noted that cost of living support measures were previously agreed. Given the continuing cost of living crisis Government is desirous of extending this support. ANGLEC customers were initially shielded from rising fuel costs as the fuel surcharge price was maintained for some time, but this has now been increased and GST has also been applied to electricity charges. Thus far 6100 accounts have been supported by the Electricity Payments Programme (EPP), which has cost EC\$6 million and is fairly straightforward to administer, the extension is forecast to cost EC\$6.1 million.

The food voucher programme was accessed by 857 persons over 70 years old and cost EC\$428k, the extension is forecast to cost EC\$450k.

Council:

- 1) noted that the extension of the cost of living support measures is expected to cost EC\$6.55 million and the sum will be included in the Supplementary Appropriation;
- 2) subject to approval of the Supplementary Appropriation provide a further grant of EC\$1000 under the Electricity Payments Programme (EPP), as a measure to help households deal with rising prices particularly relating to fuel, continuing on the previous terms:
 - Payment to be limited to domestic accounts with consumption over 40 units.
 - Payment to be automatic to domestic accounts with consumption under 1400 units.
 - Domestic accounts with consumption over 1400 units will be subject to further verification to confirm residential/non-commercial status.
 - Construction lines are not eligible.
 - The next tranche of EC\$500 to be made by 1st December, 2022.
 - Following tranches of EC\$250 on 31st December, 2022 and 31st January, 2023.
- 3) approved a further grant of an EC\$500 food voucher payment to persons in Anguilla who are 70+ or will attain 70 years of age on or before 31st December, 2022. This can be progressed immediately as it is being funded by expenditure savings.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, FIN; PAS, FIN; HON, PREM

EX MIN 22/363

EX MEMO 2022/261 MEDIUM TERM ECONOMIC AND FISCAL PLAN (MTEFP) 2023 - 2025

Hon Parliamentary Secretary and Financial Specialist remained.

The Director of Economic Planning briefed Council, outlining the information in the paper.

The delivery of reforms and fiscal policy proposals can put the public finances of the Government of Anguilla on a more sustainable path. The baseline projections within the 8-year fiscal framework have a positive cash balance, but the 2023 estimate is inadequate to cover amortisation resulting in a financing gap. The financing gap is narrowed by the third programmatic stability and resilience building policy-based loan by the Caribbean Development Bank.

The Government is not in compliance with the Framework for Fiscal Sustainability and Development (FFSD) and the MTEFP must be approved by His Majesty's United Kingdom Government (UKG). In keeping with the FFSD, the Government updates the macro-fiscal forecasts annually with a mission team of local and external experts. The output of the mission is used in the Medium-Term Economic and Fiscal Plan (MTEFP).

The Caribbean Regional Technical Assistance Centre (CARTAC), as agreed, provided technical assistance and their Macroeconomic Adviser lead the mission virtually from a remote location. Local participants attended a physical venue.

There have been numerous exogenous factors that have slowed resilience building. The Government has agreed to set out a plan to be in compliance with the FFSD by 2030 with a transitional provision to demonstrate the ability to reduce net debt-to-recurrent revenue to below 100% by 2025 and below 80% by 2030.

Council is asked to approve the updated MTEFP and forward estimates. Certain assumptions were made and certain fiscal measures adopted by the Government were considered in order to generate the figures. A decrease in public sector development and an increase in private sector development is anticipated. USA inflation and the affect on Anguilla needs to be considered. Council is also asked to recall the policy measures that were considered:

Temporary measures:

- Suspension of Excise on gasoline imports
- Suspension of Customs Duty, Customs Service Fee and Interim Goods Tax on selected imports
- Cost of Living Support Programme
- Tax credit to merchants on IGT

Measures already introduced in 2022 that are permanent:

- Outgoing Money Transfer Levy
- Reform to Companies Act (increased fees)
- Implementation of GST Phase II
- Repeal of Accommodation Tax, Communication Levy, Environment Levy and Interim Goods Tax
- Increase contributions to Public Service Pension Fund by 1% in 2022, another 1% in 2023, and another 1% in 2024 to a 6% employer contribution
- Introduce subvention to Water Corporation of Anguilla
- New hires

Announced measures to be introduced:

- Improved management of Domain Name Registry - 2023
- Gaming tax on revenue - 2024
- Offshore Fishing Licensing Regime - 2024
- Subvention to Water Corporation of Anguilla – 2023

Measures for approval:

- Implementation of medical assistance for 70+ year-old residents
- Reinstatement of increments and progression in pay scales for transitioning officers

Council:

- 1) commended the Ministry of Economic Development for the work done;
- 2) noted the List of Participants, Summary of Financial Parameters under the Baseline, Capital Investment Plan (CIP) 2023 – 2025 and Medium Term Economic and Fiscal Plan 2023 - 2025, Fiscal Framework to 2030;

- 3) noted that in accordance with the Fiscal Responsibility Act, a MTEFP is required to be updated annually, this requires Executive Council and United Kingdom Government approval and needs to be laid before the House of Assembly;
- 4) noted the assumptions and related concerns;
- 5) noted that the final medium-term fiscal framework will provide the required information to assess what, if any, funding is available to finance new policy objectives in the 2023 Budget;
- 6) noted that there is an option to pursue a third Policy Based Loan in 2023 to finance the EC\$13.51 million allocation for 2023;
- 7) noted that there has been 23.75% economic recovery owing to tourist arrivals and construction work. Further economic growth of 6.7% is expected in 2023 and based on this the fiscal framework was formed. Work in construction may be levelling out and there is contraction in other areas because of the cost of doing business;
- 8) noted the Capital Investment Plan and that there are several capital investments programmed. The Government funding envelope for three years is EC\$71 million. All airport expenditure is included and this is estimated at EC\$38 million, however, it is anticipated that only EC\$25 million has to be borrowed as the projected surplus may cover a portion of the costs;
- 9) noted that the RESEMBID grant funded projects had not been included in the revenue and expenditure thresholds and further consideration needed to be given to determine if this was the correct accounting treatment in accordance with grant conditions;
- 10) noted that the European Union RESEMBID Programme projects are taken from projects already within Government's prioritisation schedule. Agreed that in future, Ministers shall agree any bids and that the same process that is followed for the Budget could potentially be adopted. This is necessary as projects may create resourcing liabilities and are continuously being reprioritised where resources are scarce. A no cost extension of the RESEMBID programme has been granted so that the project expenditure has to be incurred by April 2024;

11) approved in principle the draft Medium -Term Economic and Fiscal Plan 2023 – 2025, subject to confirmation of whether the RESEMBID grant revenue and expenditure should be included and an adjustment made to include Government funded costs associated with the Blowing Point Basketball Court. An updated paper shall be submitted to Council for consideration; and

12) subject to resolution of the confirmation in action point 11, instructed the Ministry of Finance and Health to submit to the United Kingdom Government the Medium - Term Economic and Fiscal Plan 2023 - 2025 and fiscal framework out to 2030 for consideration and approval.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS EDMSIE; PS, FIN; PERM, SECS; HON, PREM;
HON, DG; MINS OF GOV'T

EX MIN 22/365

EX MEMO 2022/263 APPLICATION FOR ISSUE OF LICENCE UNDER THE ALIENS LAND HOLDING REGULATION ACT – REGISTRATION SECTION NORTH, BLOCK 58716 B, PARCEL 397 CONTAINING 0.24 OF AN ACRE

Hon Parliamentary Secretary and Financial Specialist remained.

Council agreed to issue an Aliens Land Holding Licence to hold on a freehold basis, vacant land situate in Registration Section North, Block 58716 B, described as Parcel 397 being 0.24 of an acre located at Black Garden, for residential purposes, subject to the following:

(a) Payment of the following Stamp Duties:

- | | | |
|------|---|--------------|
| (i) | under the Stamp Act – 5%
of EC\$26,882.00 | EC\$1,344.10 |
| (ii) | under the Aliens Land Holding
Regulation Act – 6.25%
of EC\$53,764.00 | Waived |

(iii)	Refundable Deposit – 10% of EC\$53,764.00	Waived
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TOTAL		<u>EC\$1,344.10</u>
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- (b) Regulations to be issued by the Attorney General's Chambers;
- (c) Applicant to be granted an exemption from the Aliens Land Holding Licence Regulation Act fee and refundable deposit, on the grounds that Executive Council Minute 03/224 and the policy on exemption from fees payable by Caribbean Nationals approves said waiver;
- (d) the Licensee must not rent their dwelling house without first notifying the Ministry of Economic Development and Investment, in order to rent the said property;
- (e) the Licensee shall fully comply with the laws of Anguilla in force from time to time including the Land Development Control Act, the Property Tax Act, the Building Regulations, the Labour Relations Act 2018 and Work Permit Regulations, the Social Security Act, the Immigration and Passport Regulations and any statutory modification or re-enactment thereof and any rules or regulations made there under;
- (f) any breach of any of the conditions of this Licence shall result in all the estate and interest of the Licensee in the land being liable for forfeiture to the Crown;
- (g) that the Government of Anguilla forgo taxes in the amount of EC\$8,736.65; and
- (h) that the Ministry of Finance records the taxes waived in the amount of EC\$8,736.65.

Action: PS, HA; DLS; HON, MIN HA

EX MIN 22/366

EX MEMO 2022/264 PROPOSED SUPPLEMENTARY BUDGET NO. 2 OF 2022

Hon Parliamentary Secretary and Financial Specialist remained.

The Ministry of Finance was requested to prepare a Supplementary Budget in order to facilitate payments relating to the cost of living support measures and to cover various demands on Government's recurrent budget.

Therefore, the purpose of this Supplementary Appropriation is to facilitate expenditure increases to reflect additional recurrent and capital expenditure needs.

Supplementary Budget No. 2 of 2022

Supplementary No. 2 of 2022 is a total recurrent expenditure increase of EC\$10.93 million and an increase of EC\$5.99 million in capital expenditure, for a total expenditure of EC\$16.92 million. This increase is required to facilitate payment demands on the Government's budget including the cost of living support in the final quarter of 2022. In addition, there is a request for a supplementary transfer in Ministries and Departments amounting to EC1.43 million for the payment of deferred salaries.

Governor's Office & Departments

The Governor's Office and Department will receive an increase of EC\$233,145 to cover deferred salaries, which will be facilitated through the transfer of personal emoluments savings from the Financial Intelligence Unit.

Ministry of Home Affairs

The Ministry of Home Affairs will receive an increase of EC\$216,970 to cover deferred salaries.

Ministry of Finance & Health

A supplementary increase of EC\$6.5 million is requested to cover expenditure as it relates to the measures associated with the cost of living, with EC\$6.5 million allocated to the electricity grant. Treasury Department is provisioned with EC\$1.10 million for the payment of

Interim Goods Tax credits associated with the transition from IGT to GST. Also, the creation of the position under Ministry of Finance, namely International Tax Cooperation Officer. In addition, there is an increase in funds of EC\$370k for the Health Authority of Anguilla, to cover the significantly increased energy costs, which have increased on average EC\$74k monthly. Furthermore, deferred salaries amounting to EC\$292,621 are to be paid from savings under the Treasury Department. Additionally, Ministry of Infrastructure will receive an increase of EC\$1 million from the Ministry of Finance, Restricted Expenditure account to cover costs associated with Water Corporation; this is reflected in table 1, column D.

Savings of EC\$1.43 million will be transferred from the Treasury Department under the Ministry of Finance to the various Ministries and departments to facilitate payment of deferred salaries. This amount is deducted from the Ministry's total and allocated to the various Ministries, as illustrated in table 1, column D.

Ministry of Social Development

The Ministry of Social Development has an overall supplementary increase of EC\$1,903,561, of which EC\$996,713 is an increase of funds to cover various demands mainly in the Education Department. The department experienced significant shortfalls. It is reported that this is associated with maintaining custodians as per COVID protocols as well as the engagement of substitute teachers. The Ministry of Finance intends to work closely with the department in the coming fiscal year to ensure prudent financial management and budgeting. Additionally, there is an increase of EC\$906,848 to cover deferred salaries, which will be facilitated through the transfer of savings from the Treasury Department of the Ministry of Finance.

Ministry of Infrastructure

The Ministry of Infrastructure will receive an increase of EC\$152,304 to cover deferred salaries.

Ministry of Economic Development

The Ministry of Economic Development will receive an increase of EC\$159,760 to cover deferred salaries.

Reallocation Warrants 2022

There was a total of EC\$668,851 in reallocation warrants for 2022, which led to increases and decreases in Ministries' budgets.

Significant transfers included, the transfer of EC\$601,440 from Ministry of Finance restricted expenditure to various Ministries and departments to cover unanticipated expenditure demands throughout the year. Expenditure demands included, medical treatment overseas - EC\$228k to Ministry of Social Development, and ALHCS security costs - EC\$204k to Ministry of Infrastructure. Under the Ministry of Economic Development, the Department of Natural Resources transferred out EC\$65,378 to the Ministry of Health to facilitate the payment for services rendered for boat trackers for fishermen. Amendments to the Ministries' budgets are reflected in table 1 under column B.

Capital Expenditure

Under Capital Expenditure, additional funds are required within the Ministry of Infrastructure to meet payments as approved under the Contingency Warrant No 1. This consisted of payments towards the Blowing Point Ferry Terminal of EC\$2 million, Government's security system - EC\$100k and materials for the ALHCS - EC\$613k.

Moreover, the capital supplementary includes increases, as per Table 2.

Council:

- 1) noted that deferred salary payments are funded through savings and not an increase in Budget. Noted some expenditure arrears payments are also to be funded from savings;
- 2) noted that there are capital savings of EC\$800k anticipated in relation to the Census, as some of the work will be undertaken in 2023 rather than 2022. Further capital savings are also anticipated as there is a boat to be acquired and that acquisition will not occur in 2022;
- 3) noted that some departments have been submitting applications for new expenditure, the applications were not

approved, yet the expenditure was incurred and the Ministry of Finance and Hon Deputy Governor will be reviewing the matter and taking action as necessary;

- 4) approved the Portfolio allocations as identified in Table 1 and Table 2, and;

Table 1

GOVERNMENT OF ANGUILLA 2022 ESTIMATES OF RECURRENT EXPENDITURE AND CAPITAL SUMMARY OF APPROPRIATIONS SCHEDULE						
PROGRAM	MINISTRY	ESTIMATE 2022	REVISED	SUPPLEMENTAR	REVISD	ESTIMATE W/ Y No.2
			ESTIMATE W/ No 1			
		A	B	C	D	
<u>PART 1 - RECURRENT EXPENDITURE</u>						
		\$				
001R	HE THE GOVERNOR	30,618,828	31,355,008	233,145		31,588,153
350R	MINISTRY OF HOME AFFAIRS, LABOUR, IMMIGRATION, INFORMATION AND BROADCASTING	8,512,042	8,512,042	216,970		8,729,012
450R	MINISTRY OF FINANCE AND HEALTH	101,149,361	110,409,038	8,264,449		116,237,605
550R	MINISTRY OF SOCIAL DEVELOPMENT	48,112,862	51,097,010	1,903,561		53,000,571
650R	MINISTRY OF INFRASTRUCTURE, COMMUNICATIONS UTILITIES, HOUSING AND NATURAL RESOURCES	23,240,457	23,566,088	152,304		24,718,392
750R	MINISTRY OF ECONOMIC DEVELOPMENT	12,950,687	12,887,332	159,760		13,047,092
	TOTAL RECURRENT EXPENDITURE	224,584,237	237,826,518	10,930,189		247,320,824
<u>PART 11 - CAPITAL</u>						
001D	HE THE GOVERNOR	0	0	0		0
350D	MINISTRY OF HOME AFFAIRS, LABOUR, IMMIGRATION, INFORMATION AND BROADCASTING	0	0	0		0
450D	MINISTRY OF FINANCE AND HEALTH	0	0	100,530		100,530
550D	MINISTRY OF SOCIAL DEVELOPMENT	500,000	500,000	2,728,298		3,228,298
650D	MINISTRY OF INFRASTRUCTURE, COMMUNICATIONS UTILITIES, HOUSING AND NATURAL RESOURCES	160,000	1,767,170	3,073,795		4,840,965
750R	MINISTRY OF ECONOMIC DEVELOPMENT	1,340,000	1,490,540	95,000		1,585,540
	TOTAL CAPITAL	2,000,000	3,757,710	5,997,623		9,755,333
	TOTAL RECURRENT AND CAPITAL EXPENDITURES	226,584,237	241,584,228	16,927,812		257,076,158

Table 2

CAPITAL 2022 SUPPLEMENTARY No. 2 LIST		
PROJECT	TOTAL	DESCRIPTION
450 MINISTRY OF FINANCE AND HEALTH		
Government Security Systems	100,530	Access Control and Camera Surveillance System for GoA Headquarters
MOFH TOTAL	100,530	
550 MINISTRY OF SOCIAL DEVELOPMENT		
Anguilla Community College Development	2,114,698	Ongoing disbursements on the on the ACC Project Loan from CDB
Albena Lake Hodge Comprehensive School Redevelopment	613,600	Materials to support the completion of the remaining works at ALHCS Package 2
MSDE TOTAL	2,728,298	
650 MINISTRY OF INFRASTRUCTURE		
Blowing Point Ferry Port Development	2,056,480	Funding for additional items, taxi stand, parking lot, landscaping, etc.
Road Bay Jetty	100,000	Outstanding payments for Richardson's Engineering (additional works to support completion of guard port area & installation of lights)
Replacement of Government Vehicles	308,870	6 vehicles for GoA vehicle fleet pool (US\$14,500 each) and vehicle for Customs Department (US\$27,000)
Port Development	200,910	Outstanding balance for airport runway sweeper US\$73,892 / EC\$200,910
	407,535	Baggage scanner for Clayton J Lloyd International Airport & Walkthrough and handheld scanners for Blowing Point Port
MICUHT TOTAL	3,073,795	
750 MINISTRY OF ECONOMIC DEVELOPMENT		
IT Equipment	95,000	Replacement computers to facilitate efficient administration of Inland Revenue Department and Attorney General Chambers functions
MED TOTAL	95,000	
TOTAL	5,997,623	

- 5) authorised the Attorney General 's Chambers to work with the Ministry of Finance to draft a Bill for Supplementary Appropriation for submission to the House of Assembly at its next sitting and for the UKG Ministerial approval to be sought.

Council authorised the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, EDMSIE; PS, FIN; PERM, SECS; HON, PREM;
HON, AG; MINS OF GOV'T
