

Minutes of the Meeting of Executive Council held on Thursday, 07th March 2019 at 09.30am
in the Council Chamber

Present: Her Excellency the Governor (Mrs L Honan)
Hon Chief Secretary (Mrs S O'Bey)
The Hon Acting Financial Secretary (Mr N A G Yon)
The Hon L A Henry
The Hon C K Leo
The Hon Ms C L Scipio
The Hon D F Thomas
The Hon R K Yon

In Attendance: Clerk of Councils (Miss Anthea Moyce)
Head of Corporate Support (Mrs C A George)
Temporary Member of Executive Council – Mr A G Radley

Apologies: Hon Financial Secretary (Mr Dax Richards) – On overseas business attending
the EU OCT Forum in French Polynesia
Hon Anthony Green – On overseas business attending the EU OCT Forum in
French Polynesia

OPEN SESSION

41.1 Welcome

The Governor welcomed all present, including members of the public which were present.

41.2 Tax Reforms 2019 (Exco Memo 08/19)

The Acting Financial Secretary introduced the Memorandum and pointed out that details of the Tax Proposals had been considered by Executive Council prior to public consultation. He mentioned there were a number of comments, however only the significant changes were to be discussed. SHG Head of Property, Derek Pedley was in attendance and SHG Economist (Nicole Shamier).

The Acting Financial Secretary reported that the Income Tax Ordinance was amended as agreed by the Economic Development Committee (EDC) as the public felt that the £1,000 threshold for gift aid on charitable giving was far too high, therefore the threshold of £500 had been amended in the revised Bill.

After much discussion Council advised and the Governor agreed that the Income Tax (Amendment) Bill 2019, be printed, published and presented as Government Business at the next formal meeting of the Legislative Council. Council further advised that the Income Tax Regulations, Customs and Excise (Approved Investor) Regulations and the Stamp Duties Order 2019 should be made and come into force on the 01st April 2019.

Action: Clerk of Councils

Regarding the Property Tax Ordinance, there were comments from the consultation exercise that rented accommodation should be subject to the same provisions as commercial properties. However, when considering this comment, the Economic Development Committee had agreed to continue with the proposal as it stands and then further consideration to the charge applying to rented accommodation would be given in the next financial year, as this would be a significant change to the policy and would require further public consultation.

The other significant comment from the consultation was the threshold in which the commercial properties were to be charged, which were not deemed to be fair and equitable, which was the intention of any tax reforms proposed by the Tax Working Group and preferred if the charge could be based on a tier system charged as per square metre.

Members felt that vacant properties should be charged as per square metre as some businesses with smaller properties would be paying the same rate as others with larger properties. It was agreed to amend the Property Tax Bill to include a two tier system - £5 for property under 90m² and £10 for property over 90m².

After further discussion, Council advised and the Governor agreed that the Attorney General's Chambers should make the necessary amendment to the Bill to reflect a two-tier charging system and thereafter, the Property Tax Bill, 2019 should be printed, published and presented as Government Business at the next formal meeting of the Legislative Council

Action: Clerk of Councils/Acting Attorney General

41.3 Any Other Business

41.3.1 Ex Basil Read Employee

Councillor Yon informed Members that a Thai employee who was previously employed by Basil Read had spoken to him stating that he had not received the element of his salary which was to be remitted to his home country. Acting Attorney General reported that he has been dealing with the Offshore Employee Company and is currently trying to sort it.

(Action: Acting Attorney General)

41.3.2 SA Airlink Contract

Councillor Henry stated that recently he had a meeting with Sam Alcorn (DFID), where discussion was made on St Helena's economy since the Airport was operational. He added that Mr Alcorn had stated that the aspiration for flights from Europe need to be driven by SHG, that DFID would not assist with this as the current service is not viewed by them to be the interim solution; he questioned why DFID has not formally informed SHG of that view and had discussion be held that Members were not aware of. He expressed his concerns that the market needs were not being addressed and with the SA Airlink contract and felt that clarity should be made of the contract. He also questioned why the flight due to arrive on 5th March from Johannesburg was delayed until the following Saturday when the weather was suitable for landing on St Helena in the interim days. The Chief Secretary commented that

no discussion had been had about the air service which Members had not been made aware of and said that a meeting should be held with John Gordon (Head of Overseas Territories) when visiting the island in the coming week or so and minutes should be taken. It was agreed that the Acting Financial Secretary would investigate why the flight was delayed.

(Action: Acting Financial Secretary)

41.3.3 Arable Land for Private Persons

Councillor Leo raised concerns about land that is not being utilised and could potentially be good arable land for private persons. Councillor Yon reported that the Land Disposal Review Policy would address this and once finalised, it would be shared and further discussions would be made on the subject.

(Action: Hon Russell Yon)

41.3.4 Pre JMC Visit

Councillor Thomas informed Members that the Pre JMC would be held soon in the Cayman Islands. He mentioned that it would be good for the same Member who is to lead on the JMC meeting in November this year to attend. There was some discussion as to the necessity for such attendance but agreed that, Head of Corporate Support (Carol George) prepare an estimate of the cost of attendance.

(Action: Head of Corporate Support)

There being no further business, the meeting closed at 11:15am.



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Clerk of Councils



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Governor

26th March 2019

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Date