

EXECUTIVE COUNCIL TOP LINES – TUESDAY 24 MARCH 2020

Small Island Developing State (SIDS) Status

- **Executive Council approved the recommendation that St Helena should declare itself to be a Small Island Developing State (SIDS), subject to the Foreign and Commonwealth Office confirming that no entrustment is necessary from HMG**
- Members welcomed this move, noting the potential benefits to SIDS status that could materialise for St Helena
- St Helena will request to formally join as an associate member of a UN Regional Commission (which will be facilitated by the FCO) and is likely to be the UN Economic Commission for Latin America and the Caribbean
- The UN Economic Commission for Latin America and the Caribbean has the most SIDS (29 in total which represents 49% of member states) and includes non-independent territories as members

Background

- SIDS are a group of small island countries that share common development challenges. The United Nations Conference on Sustainable Development noted that they have 'unique and particular vulnerabilities, including their small size, remoteness, narrow resource and export base and exposure to environmental challenges and external economic shocks, including to a large range of impacts from climate change and potentially more frequent and intense natural disasters'
- There is no standard definition of what qualifies as a SIDS and a country can declare itself to be one at any time
- 29 other SIDS in the Latin America and Caribbean region means there is a significant opportunity for peer-to-peer engagement and organisational priorities likely align with St Helena's interests and all other UK Overseas Territories SIDS are located in the Region
- Membership of the UN Economic Commission for Latin America and the Caribbean potentially opens the pathway to membership of the Caribbean Development Bank. Regional Development banks offer finance to member countries at attractive terms
- The focus of work of this Region includes: sustainable development; gender; international trade and integration; economic development; production, productivity and management; social development; sustainable development and human settlements; statistics; planning for development; population and development; natural resources.

Social Security (Amendment) Regulations, 2020

- **Executive Council approved increases to the Minimum Income Standard in line with the current policy**
- **Executive Council approved increases to rates for Income Related Benefits and Basic Island Pension payments with effect from 3 April 2020**
- **Basic Island Pension payments will increase to £74.30 per week and Income Related Benefits £71.80 per week – an increase of 30p per week for IRB and BIP**
- **This is a greater uplift than general price inflation over the year**
- **The new rates take account of increases in water tariffs effective from April 2020**
- **Executive Council requested that the current policy for the Minimum Income Standard be reviewed as a matter of priority**
- **The total cost of these increases will be £13,000 per annum based on current numbers in receipt of IRB and BIP along with an element of contingency**

Background

- This Minimum Income Standard (MIS) is the mechanism by which Income Related Benefits and Basic Island Pension payments are calculated using a set and agreed basket of goods and services determined to be the minimum requirement for an individual
- The prices of these goods and services are reviewed every six months to determine whether an increase in the MIS and rates of IRB and BIP are required
- The basket of goods is different to that used to determine the Retail Price Index (RPI); the methodology is also different, with RPI measuring changes to prices of goods over time and the MIS approach calculating the full cost of the MIS basket. The rate of change in MIS may differ from the rate of general price inflation
- The last uplift in MIS was in October 2019
- The MIS basket includes: food and drink based on a healthy diet in line with a local menu and international guidelines; utilities; telecommunications; clothing and shoes; essential items such as washing up liquid etc; toiletries; bus fares
- The basket does not include alcohol or nicotine products, nor are leisure activities taken into account
- The price collection carried out in January and February 2020 indicated no change in the weekly MIS but account was taken of the water tariff increases that will take effect in April 2020. Taking this into account the current MIS represents a 2% annual change; the new single person IRB rate represents a change of £1.80 from a year ago to £71.80 after this adjustment, which is 2.6%

- The latest annual inflation rate measured by (RPI) is 2.1%
- Those households or individual receiving benefits under transitional protection will not necessarily receive an increase in the overall amount of benefits they are currently receiving.

ExCo
24 March 2020