

EXECUTIVE COUNCIL TOP LINES – TUESDAY 11 MAY 2021

Exempting Better Life Allowance Payments from Income Tax

- **Executive Council agreed that payments of the Better Life Allowance should be exempt from income tax.**

At the meeting

- Elected Members on the Executive Council supported to Governor in Council a paper recommending payments of Better Life Allowance (BLA) to be exempt from income tax
- Members were surprised that BLA was subject to income tax as they did not think this was the original policy intention
- The changes to the BLA arrangements will come into effect when the Regulation comes into force and will not be back dated for previous years
- There was strong political support for people to have a better life and allows people with severe disabilities to purchase items of support
- The Chair of the Social & Community Development Committee advised that a review of the BLA has also started which includes looking at the different criteria categories
- The Regulations will be published shortly and come into effect on publication.

Background

- The Better Life Allowance (BLA) was introduced in 2015 to replace the old disability allowance and was designed to cover additional costs that disability can often incur
- Individuals on the disability register are independently assessed on their disability and graded against a set of criteria in accordance with the BLA Policy
- The following allowances are paid weekly depending on the severity of the disability:
 - Low - £11.53
 - Moderate - £15
 - High - £35
 - Severe - £60 5.
- As the BLA is designed to help meet the additional costs of people who have a disability and therefore give them a 'better life', the BLA is excluded from the calculation to determine Household Income Level under the Social Security Ordinance and Regulations and therefore not part of the overall Income Related Benefits payment. BLA is paid over and above these payments
- Most BLA recipients do not have enough other income to exceed the income tax threshold of £7,000. However, for 11 individuals, combined income from other sources means that the BLA is subject to tax
- The exact revenue collected on BLA payments will vary each year based on the number of recipients, their level of disability and other sources of income. In the financial year 2020/21 SHG expects to collect £2,700 in income tax revenue on BLA payments.

- The financial implications of this change are expected to be minimal and the primary rationale for making this change is the principle that BLA should not be subject to tax
- Full ExCo Memo available here: <https://www.sainthelena.gov.sh/wp-content/uploads/2021/05/23-2021-Exempting-BLA-from-Income-Tax.pdf>

Excision of National Forest Land from the Government Forest Estate

- **Executive Council agreed that land parcels as listed in the draft Legal Notice (<https://www.sainthelena.gov.sh/wp-content/uploads/2021/05/24-2021-Annex-1-Excision-of-National-Forest-Land-from-the-Govt-Forest-Estate-Legal-Notice.pdf>) designated as National Forest should be excised from the Government Forest Estate through variation of Orders 8 and 12 of 1955.**

At the meeting

- The Chair of the Environment & Natural Resources Committee presented the Paper and advised Members that no objections had been received during the public consultation process
- The parcels of land to be excised had been identified during a recent rationalisation survey by the Crown Estates Section and were separate to a list that had previously been presented to ExCo
- There is no significant area of tree cover that will be lost through excision of the attached parcels and new use of the land at Thompson's Wood through its sale proposes to retain and improve tree cover
- The Portfolio Director of Environment, Natural Resources and Planning (ENRPP) and Forestry Officer attended the meeting
- The Forestry Officer talked Members through the land parcels in question and provided information on the environmental consequences of the loss of the forest land for forestry purposes, the associated forest value of the parcels and the consultation exercise to vary the forestry Orders through excision of the said parcels. The Forestry Officer's Report is available here: <https://www.sainthelena.gov.sh/wp-content/uploads/2021/05/24-2021-Annex-3-Excision-of-National-Forest-Land-from-the-Govt-Forest-Estate-Forestry-Officer-Report.pdf>
- Members were keen to learn more about the land at Thompsons Wood that will be used for the Hooper Campsite Project. The ENRPP Director explained that this land was a transaction that was left over from a number of years ago when the campsite proposal had been approved by ExCo. As the land will be used for commercial purposes, the Director advised that the Crown Estates lease will reflect the commercial nature of the land. The Camp Site Project on the Thompsons Wood land parcel has already been awarded Approved Investor Status by the Investment Enabling Committee. The Camp Site Project is therefore considered to be in the interests of the Island in line with the Investment Strategy goals

- The Forestry Officer also advised that the land in the Thompsons Wood area would be improved and once used for a campsite would need to adhere to building and fire safety requirements
- Members wanted clarification on the parcel in the Guinea Grass area and at Planation. They were advised that the parcels were on top of Mount Eternity, on the far side of Rosemary Plain and at Plantation Stables on the hard surface area outside of the Government Landlord House and toilets, respectively
- Members supported to Governor in Council excising land from the National Forest that was unproductive land for forestry but which could be put into other meaningful use for the Island - this should be continued and encouraged
- The variation of Orders 8 and 12 of 1955 will not come into effect until 25 May due to periods of consultation needed first.

Background

- Variation of Statutory Rules and Orders 8 and 12 of 1955 constituting land as National Forest is required through the excision of 9.51 acres of land within the Government Forest Estate
- Release of this National Forest land is required to allow the Crown Estates Section to:
 - a) Support land requirements for the Hooper Campsite Project (5.04 acres)
 - b) Take over land that is unproductive for forestry purposes (4.12 acres)
 - c) Support a small amount of land required for bank stabilisation requirements for current residential properties
 - d) Meet land requirements to enable extension of Government Landlord Houses at Plantation Stables
 - e) Meet land requirements for their residential property reparcelation exercises
 - f) Provide additional land for Connect Saint Helena Limited to make improvements at their Levelwood Treatment Plant.
- Full ExCo Memo available here: <https://www.sainthelena.gov.sh/wp-content/uploads/2021/05/24-2021-Excision-of-National-Forest-Land-from-the-Government-Forest-Estate.pdf>

AOB

- The Head of the Governor's Office, Greg Gibson, advised Members that St Helena had been added to the UK's travel Green List which means that from 17 May anyone arriving into the UK from St Helena will not have to quarantine. The Governor's Office is checking whether St Helena will be exempt from requiring a pre-departure test
- Lord Ahmad, Minister of State for the Overseas Territories in the Foreign & Commonwealth Development Office (FCDO), has given approval for UK officials to commence detailed discussions with SHG on finalising the constitutional amendments needed for governance reform. A letter from the Minister had been sent to the Chair of the Community & Development Committee last week. Early

indications show that the proposed amendments should not be too complicated and we might be able to submit to the Privy Council before their Summer break

- The Head of the Governor's Office will be on overseas leave from 15 May for six weeks. Robert Wilkinson from the FCDO's Overseas Territories Department will provide on-Island support to the Governor's Office during this time.

ExCo

11 May 2021