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MINUTES OF THE 102nd MEETING OF THE TWELFTH ANGUILLA
EXECUTIVE COUNCIL HELD ON THURSDAY 1st SEPTEMBER 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

Acting Deputy Governor, Mr Karim Hodge

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, Mr Haydn Hughes

The Honourable Minister for Sustainability, Innovation and Environment, Mrs Quincia Gumbs-Marie

Honourable Parliamentary Secretary, Mr Merrick Richardson

The Honourable Attorney General, Mr Dwight Horsford

Acting Clerk to Executive Council, Ms Jennyville Smith

IN ATTENDANCE: Financial Specialist, Mr Stephen Turnbull

ABSENT: The Honourable Deputy Governor, Mr Perin Bradley

EX MIN 22/285

CONFIRMATION OF THE MINUTES

Hon Parliamentary Secretary and Financial Specialist remained.

Council confirmed the Minutes of the 101st Meeting of Executive Council held on Thursday 25th August, 2022.

MATTERS ARISING FROM THE MINUTES

EX MIN 22/286

EX MEMO 22/208 APPROVAL OF BILL FOR EXCISE TAX ACT, 2022-REMOVAL DOMESTIC EXCISE TAX

Hon Parliamentary Secretary and Financial Specialist remained.

The PAS, Finance, Ms Marisa Harding-Hodge and PS, Finance Mrs Kathleen Rogers joined the meeting.

The PAS Finance briefed Council. Salient points from the paper are as follows:

EX MIN 22/279 notes that Excise Tax on excisable products imported and manufactured in Anguilla was legislated with effect from 1st October 2019. The import Excise Tax has been collected since 1st October 2019.

EXCO previously approved the deferral of domestic Excise Tax to 1st January 2021 (to coincide with GST implementation) on the grounds that more time was needed for IRD to prepare and for taxpayers to be introduced to the tax. However, this legislative amendment was not made. Domestic Excise Tax has not been collected since October 2019 and the estimated domestic Excise tax foregone for October 2019 to Dec 2020 is \$578,142 (\$800,142 to June 2021).

In July 2021, EXCO approved the repeal of the application of the domestic component of the Excise Tax, which applies the tax to excisable goods manufactured or produced and sold in Anguilla; in order to support Anguilla's burgeoning manufacturing industry and improve the efficiency of tax administration.

In July 2022, EXCO approved the removal of Excise Tax on imports of electric and hybrid vehicles to support the transition towards reduced reliance on fossil fuels and enable consumers to consider certain non-conventional vehicles. The proposed Bill removes the Excise Tax rate applicable to imports of electric and hybrid vehicles.

Council approved that:

- 1) the Bill for Excise Tax Act, 2022 be tabled for reading at the next sitting of the House of Assembly; and
- 2) once the Bill for Excise Tax Act, 2022 becomes an Act, the Attorney General's Chambers shall prepare a Regulation under section 11 to address uncollected Excise Tax under the repealed Act.

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

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

EX MIN 22/288

EX MEMO 22/210 APPROVAL OF REVISED LIST OF CONDITIONAL EXEMPTIONS

Hon Parliamentary Secretary and Financial Specialist remained.

The PAS Finance briefed Council. Salient points from the paper are as follows:

The List of Conditional Duty Exemptions contains the goods that may be exempted from duty when such goods are imported by persons, enterprises or organizations in the circumstances, or for the purposes specified in the List. The updated draft list of Conditional Exemptions is modelled on the conditional exemptions offered in the region (particularly Turks and Caicos, Jamaica and St. Vincent). These proposed exemptions are in line with the List of Conditional Duty Exemptions and contains the goods which CARICOM Member States may exempt from duty under the CARICOM Common External Tariff.

The 1991 List of Conditional Duty Exemptions, under the Integrated Customs Tariff Regulations, contains the goods that may be exempted from duty when such goods are imported by persons, enterprises or organizations in the circumstances, or for the purposes specified in the List. These exemptions generally are in respect of the import of goods in connection with educational, health, governmental, social and cultural purposes. The current practice is to offer full exemptions on import duty and tax to comply with various agreements and to support charitable causes.

Exemption from duty and tax on imported goods refers to the full waiver, exclusion or release from the statutory liability, obligation or requirement to pay Customs Duty and tax where applicable, on items defined as dutiable under the provisions of the Schedules of the Integrated Customs Tariff.

Currently the GST Act makes provision for exemption from GST on goods imported under the conditional exemptions.

The Customs Act makes provision for the statutory exemption from customs duty of a standard list of imported products contained in the First and Second Schedules in the Integrated Customs Tariff Regulations. These are the conditional exemptions.

The composition of these lists is determined based on social and economic considerations as well as the need to achieve efficiency and effectiveness in the revenue collecting operations of the Customs Department. These are general and across the board exemptions which benefit all firms and households for which no formal application is required.

Exemptions of this type are granted to specific individuals, firms, other private sector organizations, quasi-government statutory corporations or boards, foreign governmental organizations and international organizations. Primarily, organisations and persons benefiting from these exemptions are governmental body, diplomatic and similar organisations, and religious and charitable organisations. The list is updated periodically in line with changes in government policy arising from changes in the economy and society.

The proposal to include these areas in the conditional exemptions is consistent with current practice and not anticipated to produce significant revenue losses due to historical practice of providing these exemptions via other methods.

Separately, "specific exemptions" require formal application to the Ministry of Finance and approval by Executive Council with subsequent ratification by the House of Assembly.

The categories included in the list of Conditional Exemptions is mainly focused on:

- a) Government Imports
- b) Uniformed Bodies
- c) Expatriate Contract Officers (new)

- d) Statutory and Public bodies
- e) Law Revision Centre (existing under EX/MIN)
- f) H E Governor (amended)
- g) Diplomatic and similar organizations (amended)
- h) Her Majesty's Forces
- i) Religious (amended)
- j) Non-Profit Organisations, Charities and Welfare goods (amended)
- k) Youth organization (amended)
- l) Sports Clubs (new)
- m) Aircraft
- n) Drugs and appliances (amended)
- o) Disabled and Specially Challenged Persons (new)
- p) Educational
- q) Festivals and Other Cultural Activities (new)
- r) Scientific goods
- s) Funeral furniture
- t) Legacies
- u) Passenger's personal effects (amended)
- v) Samples, patterns and advertising material (amended)
- w) Trophies
- x) Goods in General
- y) Other equipment (New)

It is important to standardize exemptions to lessen the volume of requests being processed as specific exemptions.

Council approved that:

- 1) the Attorney General's Chambers commence drafting amendments to the Integrated Customs Tariff Regulations to update the conditional exemptions list.

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

Action: PS, FIN; HON, PREM; COC; HON, AG

EX MIN 22/289

EX MEMO 22/211 ESTABLISHMENT OF THE HEALTH SECTOR REFORM BOARD AND APPROVAL OF ITS TERMS OF REFERENCE

Hon Parliamentary Secretary and Financial Specialist remained. Acting PS Health, Mrs Twyla Richardson-Bradshaw and Health Planner, Ms Rochelle Rogers joined.

The Hon Premier briefed Council. The key strategies for the Ministry of Health as indicated in the 2022 Estimates are as follows:

- (1) Identify and address human resource capacity needs.
- (2) Identify and implement appropriate regulatory frameworks and monitoring tools to oversee the operations of the Health Authority of Anguilla.
- (3) Conduct research initiatives to improve the quality and delivery of healthcare services.
- (4) Finalize and implement health sector related policies and plans.
- (5) Enact and implement relevant health sector legislation.
- (6) Support continuous health sector quality improvement plan.

In light of these strategies the operations of the Health Authority of Anguilla are a major component of ministerial reviews. The operations of the Health Authority of Anguilla are a significant expenditure on the public purse. It raises revenue through direct support from the Government of Anguilla (about 70% of its budget) and through fees (30% of its budget). For 2022 the Ministry of Health will transfer over EC\$20 million to the HAA to purchase services for residents of Anguilla. This is by far the largest financial support the Government gives to a statutory board for its operations. It is therefore important for the Ministry of Health to ensure good governance, efficiency of operations and value for money.

It is accepted internationally that the funding of public health services cannot rely on user fees alone, especially in small economies. For this to occur in Anguilla the value of direct user fees to raise EC\$20 million would be burdensome on the public. In fact, it was postulated by health care financing consultant Roger England some years ago that to fund the health services directly from salaries on the working public, would cause up to 18% tax on income.

Studies of National Health Insurance (NHI) in Anguilla over the last twenty (20) years postulated that in addition to raising funds directly from employees and employers to finance universal health care, the Government of Anguilla would still have to inject funds to make the programme sustainable:

Income-based contributions (2.5% Employer & 2.5% Employee)	13,500,000.00
Patient co-payments-primary	468,750.00
Patient co-payments drugs	278,906.00
Patient co-payment dental	198,000.00
Patient co-payment optical care	7,811.00
Co-payment—tertiary	400,000.00
GoA contribution	<u>22,000,000.00</u>
Total	<u>36,853,467.00</u>

(2011 figures. Institute for Health Sector Development (Dr. Jennifer Sancho & Roger England).

While these figures are now dated, it shows that any mechanism designed to fund health care in Anguilla, whether through the current system of transfers, or NHI, the Government of Anguilla will remain a significant partner in health care financing directly or indirectly.

The objective of Government, then, should be to ensure that whatever system of funding health care is utilized, there is value for money in the operations of public health care, that the management of health services is transparent and accountable, and that appropriate, adequate high quality health services are available to the residents of the island. Government must also ensure that health disparities are minimized.

The Executive Summary from the latest available Management Report (the Report) from the HAA (May 2022) states the following (**Appendix I**):

- For the month of May a loss of \$15,829 was recognized.
- Revenue for the month totaled \$3,095,756. This is a decrease from the same period from the prior year. When compared to budget, revenue is lower than what was estimated.
- 11 of 19 of HAA's services underperformed in May 2022. This represents 57% of services.
- Expenditure totaled \$3,111,585. This is higher than what was budgeted and that of the same period in the prior year.
- Accounts Payable remain manageable at \$1.1M. However, must be closely monitored, as cash flow is quickly deteriorating making it difficult to meet current obligations.
- Receivables remain high at approximately \$10.22M. This number continues to increase monthly. We intend to continue our collection efforts to attain the preferred level.
- HAA's cash collected for the month was less than the cash spent. Cash collected accounted for 84% of overall revenue for the month.

The Report also gives indications of the areas that are underperforming:

- Consultation Fees (Reduced to one-off instead of daily for in-patient care)
- Dental Fees (Some services were suspended for a short period due to operational issues)
- Dialysis Fees (Less treatments than budgeted: 196 actual compared to 260 budgeted).
- Health Information (Less reports requested)
- Maternity (Unpredictable deliveries)
- Morgue (Not yet in use. Training of staff on chain of evidence etc. being organised in U.K.)
- Operating Theatre Fees (Unstable surgeon coverage causing reduced patient load; Scope for endoscopies not functioning)
- Medical Outpatient (More clients being referred to the clinics instead of A&E for non-emergencies)
- Physiotherapy Fees (Less referrals)
- Psychiatric Fees (No fee being charged for long-term psychiatric care)
- Stores (Vending machine sales decreased)

This state of affairs is not surprising in light of the fact that the economy has not yet rebounded to its pre-Irma/pre-COVID state. Therefore, receivables remain high at approximately \$10.22 million as patients indicate an inability to pay. Additionally, some operational issues such as access to dedicated surgeons (which was recently rectified), free long-term psychiatric care, and highly subsidized care for the elderly at the Miriam Gumbs Senior Citizen's Home continue to impact revenue generation negatively.

The Ministry of Health intends to conduct an overall review of the HAA with the view to implementing revised structures aimed at making health services more sustainable, accountable and efficient. In this regard, it is envisioned that a Health Services Reform Board with particular expertise be established to advise the Ministry of Health on the way forward.

In part, the Health Services Reform Board (HSRB) will:

1. Foster collaboration and communication relating to health reform activities across the primary and secondary care service system – HAA.
2. Fulfill the Responsibilities, Role and Purpose as approved by Executive Council. These are:
 - Design, and develop new health services structure:
 - To include strategies of re-integration of the HAA with the Anguilla Public Service, in part or in whole, and/or further decentralization of some health services up to and including privatization.

- Strategy shall also include opportunities to resize the health service in keeping with revised structure, and detail savings that may accrue from such activities.
- Ensure that health services are seamlessly integrated at the policy (MoH), service delivery (HAA or its successor) and community (client) levels. This integration must also take into consideration linkages with the wider Anguilla Public Service and the private sector.

The detailed Terms of Reference for the HSRB, including its membership, is noted as **Appendix II**.

Council:

- 1) Approved the Ministry of Health conducting a review with the aim of reforming health services in order to make them more efficient, accountable and to improve the quality of health care in Anguilla.
- 2) Approved the Terms of Reference for the Health Services Reform Board (HSRB) attached as **Appendix II** subject to further revision so that the team operates as a committee to the Ministry with the objective of considering how best to merge the HAA into the Ministry of Health.
- 3) Noted that there is no cost to the establishment of the HSRB. Members will function for gratis.

The Honourable Minister for Sustainability, Innovation and Environment recused herself from the meeting.

Action: PS, HLTH; HON, PREM

EX MIN 22/290

EX MEMO 22/212 APPLICATIONS FOR THE PERMIT OF PERMANENT RESIDENCE

Hon Parliamentary Secretary and Financial Specialist remained.

Council:

1) agreed that the following persons should be granted the Permit of Permanent Residence in accordance with Section 24 of the Immigration and Passport Act:

- a) Antonette Kimesha Miller
- b) Kristin Nicole Borne
- c) Yeny Manyileny Vasquez Alburquerque
- d) Cloverine Assenette Bryan
- e) Yanique Latonya Stewart
- f) Andy Jno Charles
- g) Adriano George Lobato Vasconcelos
- h) Elaine Carhalho De Aviz
- i) Andre Aviz Vasconcelos

2) further agreed that each applicant must submit a valid Certificate of Good Standing from the Inland Revenue Department, before the Permit of Permanent Residence is issued; and

3) noted that granting Permanent Residence did not exempt persons from the provisions of the Labour (Relations) Act, nor did it entitle them to Belonger status until they have been residing in Anguilla for 15 years, or become naturalized British Overseas Territories Citizens in Anguilla. These individuals would become eligible to apply for naturalization after one year of permanent residency.

Action: PS, HA; LAB, COM; CIO; HON, AG; HON, MIN HA

EX MIN 22/291

COVID-19 UPDATE

Hon Parliamentary Secretary and Financial Specialist remained. Acting PS Health, Mrs Twyla Richardson-Bradshaw and Health Planner, Ms Rochelle Rogers joined.

Epidemiology

Globally, the number of new weekly cases decreased by 9% during the week of 15 to 21 August 2022, as compared to the previous week,

with over 5.3 million new cases reported. The number of new weekly deaths decreased by 15%, as compared to the previous week, with over 14,000 fatalities reported. As of August 21, 2022, 593,236,266 million confirmed cases and 6,448,504 million deaths have been reported globally.

At the regional level, the number of reported new weekly cases decreased or remained stable across all six regions: the African Region (-25%), the European Region (-20%), the Region of the Americas (-18%), the South-East Asia Region (-17%), the Eastern Mediterranean Region (-13%), and the Western Pacific Region (+2%). The number of new weekly deaths increased in the African Region (+183%) and the Western Pacific Region (+8%), while it decreased or remained stable in the European Region (-30%), the Region of the Americas (-15%), the South-East Asia Region (-11%), and the Eastern Mediterranean Region (+3%).

With regards to the circulating variants of concern (VOC) globally, from 22 July to 22 August 2022, 99% of 160,716 sequences were the Omicron Variant of Concern (VOC). Furthermore the BA.5 Omicron descendent lineages continue to dominate with an increase in weekly prevalence from 71% to 74%.

Caribbean Region

The CARPHA report of August 29 indicates that since the previous report on August 22, 2022, an additional 32,235 cases of COVID-19 were confirmed in 28 countries within the Caribbean, bringing the region's total confirmed cases to 4,177,910 in 35 countries/territories (including the 26 CARPHA Member States). The new total represents a 0.5% increase in the number of confirmed cases. There were 35,237 deaths recorded in the Caribbean Region as of August 26, 2022.

Anguilla

As of August 29, 2022 at 6am, Anguilla has confirmed 3,842 cases of COVID-19 of which there have been 3,793 recoveries and eleven (11) deaths. There are currently 38 active cases. One person is currently in the Isolation Unit being treated for non-COVID-19 related issues.

Vaccination Deployment Update

As of August 26, 2022, a total of 10,847 first doses, 10,324 second doses and 2,946 first booster doses have been administered. In an estimated population of 15,500 total persons, this would represent 70% of the total population having received the first dose, 67% of the total population having received two doses and 19% having received a first booster. In addition, this attributes to 80% of the total eligible population (13,560) having received one dose, 75% having received two doses and 26% (11,360) having received a first booster dose. The age-breakdown of persons having received a first dose is as follows:

- 360 persons aged 5-11
- 586 persons aged 12-17
- 2997 persons age 18-34
- 2918 persons age 35-49
- 2585 persons age 50-64
- 1405 persons age 65+

The occupational breakdown of first doses is as follows:

- 355 Healthcare workers
- 548 Civil and Border Protection
- 1850 Hospitality
- 1094 Retired
- 6793 Others

Distribution (Pfizer)

As of August 26, 5,478 total doses of Pfizer have been administered including 1,266 first doses, 1,052 second doses, 2,939 first booster doses and 221 (est) second booster doses. This includes 585 first doses (~48%) and 436 second doses (~36%) to 12 - 17 year olds and 356 (~25%) first doses and 326(~23%) second doses to children 5 -11 years old.

Monkey Pox (MPX) Update

At the WHO press conference of August 25th, the director general indicated that the previous week, the number of weekly reported cases had fallen by more than 20% globally but that new cases increased in the Americas, where intense transmission is continuing to be seen. Moreover, WHO indicated that while in the early stages

of the outbreak, most reported cases were in Europe, with a smaller proportion in the Americas, the situation has now reversed, with less than 40% of reported cases in Europe and 60% in the Americas. US CDC reports that as of August 29th, a total of 48,844 cases and 15 deaths have been reported globally. PAHO data as of August 29th indicate that 25,888 cases and three deaths have been reported for the Region of the Americas.

WHO also indicated that there are signs that the outbreak is slowing in Europe, where a combination of effective public health measures, behaviour change and vaccination are helping to prevent transmission. However, WHO admonished that in Latin America in particular, *insufficient awareness or public health measures are combining with a lack of access to vaccines to fan the flames of the outbreak.*

Furthermore, while the most at-risk populations have predominantly remained the same, with the ongoing outbreak of monkeypox primarily affecting men who have sex with men (MSM), other potentially vulnerable populations cannot be overlooked.

Further to the receipt of diagnostics to establish monkeypox testing in Anguilla through technical support from the Pan American Health Organization, the next steps for implementation have been outlined – with dates to be decided for each task.

PAHO has also disseminated a communication on terms and conditions for the procurement of the Smallpox/Monkeypox Vaccine via the PAHO revolving fund for the Lived Modified Vaccinia Virus Ankara, JYNNEOS VACCINE, (“Vaccine”), from the manufacturer, Bavarian Nordic. The price of the Vaccine is Euro 85/dose with a minimum of 1,400 doses to be requested and multiples thereof. The cost of freight and insurance and PAHO’s charge of 4.25% of the net cost of the Vaccine must be paid by Anguilla and will be included in the price estimate that will be sent to Anguilla before PAHO may issue the corresponding Purchase Order.

Council noted:

- 1) that the Ministry of Health will continue to monitor and advise on the developments of the COVID-19 and monkeypox outbreak; and
- 2) that in the immediate/short term:

- a. the current focus will be continued collaboration with the HAA to establish national testing capacity for MPX.
- b. assess the need for and strategy for monkeypox vaccination via the PAHO revolving fund.

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

Action: PS, HLTH; PS, FIN; PS, EDMISE; BD; ACC, GEN;
HON, DG; HON, AG; MINS OF GOV'T
