St Helena Government

SUMMARY BUDGET EXECUTION REPORT

FOR PERIOD 4 (JULY 2026)

FINANCIAL YEAR ENDING 31 MARCH 2027

Contents | Page

INTRODUCTION

Budget execution is monitored by the Treasury. The Budget Execution Report (BER) provides an update on the implementation of the annual budget for the General Reserve of the Consolidated Fund. This BER is for July, period 4 for the financial year 2026/27.

The BER is produced to provide an account of funds drawn from the General Reserve of the Consolidated Fund. The BER is also shared with the Foreign and Commonwealth Development Office (FCDO) to evidence the use of financial aid.

The Statement of Comparison of Budget and Actuals (Statement) on page 6 shows the budgets allocated to portfolios and service areas to deliver public services in comparison with funds that have been spent and include a comparison of the budget and actual for the major revenue streams. Explanatory notes are included for significant variations between the budgeted and actual expenditure and revenue.

BUDGET

The annual budget for the General Reserve of the Consolidated Fund was appropriated on 20 July 2026 and enacted on 24 July 2026. The original expenditure budget for the financial year 2026/2027 is £55,472k. The budget book can be viewed on the St Helena Government website at https://www.sainthelena.gov.sh/documents/Budget-Book-2026.pdf

The table below provides an analysis of the approved expenditure budgets and how the budget will be funded.

Budget Components	Original Budget £000
Recurrent Expenditure	55,277
Capital Expenditure	195
Total Expenditure	**55,472**
FCDO Financial Aid	37,508
Local Revenue	17,550
Contribution from the Consolidated Fund	414
Total Funding	**55,472**

The budgets recorded in this report are the cumulative budgets for the period April to July 2026.

OUTTURN

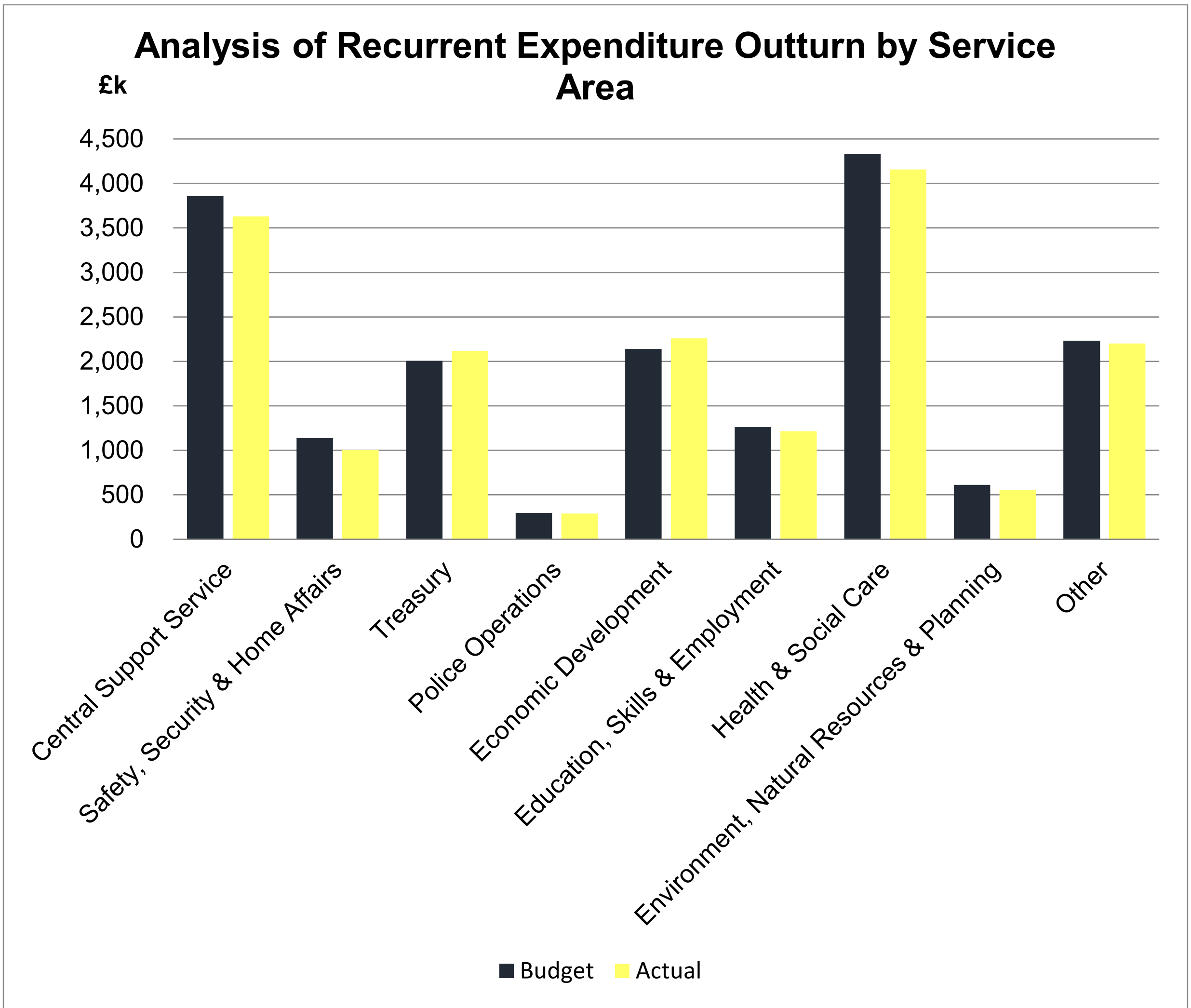
The Statement on page 6 reflects a year to date deficit of £384k. Expenditure totalled £17.4M against a budget of £17.9M, while revenue of £17M exceeded the budget by £143k. As a result the year to date budgeted deficit was reduced by £581k.

The table below provides a summary of the Statement of Comparison of Budget and Actual on page 6.

	Year to Date			
	Actual	Budget	Variance	
	£000	£000	£000	%
Recurrent Expenditure	17,428	17,867	439	**2**
Capital Expenditure	1	0	(1)	**0**
Revenue	17,045	16,902	143	**1**
Surplus/Deficit	(384)	(965)	581	**(60)**

Recurrent Expenditure

The chart below shows the underspends and overspends for recurrent expenditure by Expenditure Head for the year to date.



Revenue

The surplus revenue reported for the year to date is mainly from Taxes. An analysis of customs dues and income tax is included in the table below.

	Year to Date		
	Actual £000	Budget £000	Variance £000
Customs Dues			
Ad Valorem	879	836	43
Alcohol	473	298	175
Tobacco	24	135	(111)
Fuel	177	257	(80)
Other Dues	131	107	24
Total Customs Dues	1,684	1,633	51
Income Taxes			
PAYE	2,035	2,073	(38)
Self Employed Tax	22	0	22
Corporation Tax	2	0	2
Service Tax	206	204	2
Withholding Tax	28	30	(2)
Total Income Taxes	2,293	2,307	(14)
Total	**3,977**	**3,940**	**37**

Area of Concern

Economic Development

- Air Services
  The Air Service incurred losses of £527k on flights between April and July 2026. In addition to low passenger numbers during the off-peak season, the cost of fuel per flight also increased. Average fuel costs during this period were £18k per flight. Approval will be sought from the FCDO to utilise the ring-fenced support funding element of the financial aid package to cover these unavoidable costs.

STATEMENT OF COMPARISON OF BUDGET AND ACTUALS

	Actual	Budget	Variance		Notes
	£	£	£	%	
EXPENDITURE					
Appropriated Recurrent Expenditure					
Central Support Service	3,630,901	3,857,402	226,501	6	1
Attorney General's Chambers	39,104	55,344	16,240	29	2
Safety, Security and Home Affairs	1,002,477	1,138,951	136,474	12	3
Judicial Services	75,452	54,801	(20,651)	(38)	4
Treasury	2,116,834	2,004,792	(112,042)	(6)	5
Police Operations	290,925	295,664	4,739	2	
Economic Development	2,259,651	2,137,130	(122,521)	(6)	6
Education, Skills and Employment	1,214,673	1,261,495	46,822	4	
Health and Social Care	4,158,487	4,328,779	170,292	4	7
Environment, Natural Resources and Planning	555,062	610,624	55,562	9	8
	15,343,566	15,744,982	401,416	3	
Statutory Recurrent Expenditure					
Pensions and Benefits	2,084,590	2,122,000	37,410	2	
Total Recurrent Expenditure	**17,428,156**	**17,866,982**	**438,826**	**2**	
Appropriated Capital Expenditure					
Health and Social Care	637	0	(637)	0	
Total Capital Expenditure	**637**	**0**	**(637)**	**0**	
TOTAL EXPENDITURE	**17,428,793**	**17,866,982**	**438,189**	**2**	
REVENUE					
Local Revenue					
Taxes	3,976,617	3,940,000	36,617	1	
Duty & Licences	82,141	77,700	4,441	6	
Fines & Fees	368,645	272,538	96,107	35	9
Government Rents	187,287	195,022	(7,735)	(4)	
Earnings Government Departments	12,005	14,854	(2,849)	(19)	
Income Received	158,774	79,835	78,939	99	10
Treasury Receipts	57,986	81,100	(23,114)	(29)	11
Recharges	99,111	138,491	(39,380)	(28)	12
	4,942,566	4,799,540	143,026	3	
External Funding					
FCDO Core Financial Aid	11,047,640	11,047,640	0	0	
FCDO Airport Operations Financial Aid	1,055,000	1,055,000	0	0	
	12,102,640	12,102,640	0	0	
TOTAL REVENUE	**17,045,206**	**16,902,180**	**143,026**	**1**	
SURPLUS/ (DEFICIT)	**(383,587)**	**(964,802)**	**581,215**	**(60)**	

NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUALS

The notes below provide explanations for variances between the budget and actuals for the year to date, which are more than 5% and £5,000 or £50,000

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
	Recurrent Expenditure			
1	Central Support Service	226,501	6	An upgrade to the SHG Intranet has been deferred to later in the financial year. Vacancies in key marketing positions have delayed the implementation of several digital media and marketing initiatives and reduced related expenditure. Planned training activities were deferred until approval of the full year budget. An underspend is also recorded for TC Posts.
2	Attorney General's Chambers	16,240	29	Lower expenditure requirements during the first quarter, pending recruitment to vacant positions.
3	Safety, Security and Home Affairs	136,474	12	21 staffing vacancies across the portfolio. Postponement of prison training activities to later in the financial year. E-visa portal hosting and maintenance fees not incurred during the reporting period. Limited maintenance works undertaken on wharf equipment.

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
4	Judicial Services	(20,651)	(38)	Professional services associated with document review and analysis for coroner investigations.
5	Treasury	(112,042)	(6)	Increased costs associated with essential IT renewal and software licences required to maintain operational accounting systems. Unbudgeted expenditure incurred in responding to Hantavirus related requirements. Costs associated with Supreme Court cases, including barristers' fees and travel expenses.
6	Economic Development	(122,521)	(6)	Losses incurred by Airlink on flights operated for the period April to July 2026 amounted to £526k. This is partially offset by savings for the Aviation Fuel Facility, where anticipated operational costs factored into the budget did not materialise and by an underspend recorded for Airport Operations.
7	Health and Social Care	170,292	4	An underspend is recorded under Employee costs, equipment, medical supplies, materials and customs recharges. This underspend is partially offset by an overspend of £133k for Overseas Medical Treatment. A total of 47 patients were referred during the period, compared with a budget provision of 27 referrals.
8	Environment, Natural Resources and Planning	55,562	9	Staffing vacancies across the portfolio. Reduced transport recharges as vehicles remained out of service. Delays in procuring chemicals and fungicides, pending receipt of quotations from overseas suppliers.

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
	Local Revenue			
9	Fines & Fees	96,107	35	Increased income generated from services provided to visitors and visiting ships, including hospital, medical and mortuary services.
10	Income Received	78,939	99	Mainly attributed to an increase in the revenue from .sh domain name contract. Recovery of health administration charges associated with visitor related activities.
11	Treasury Receipts	(23,114)	(29)	Lower than anticipated interest returns on investments during the reporting period.
12	Recharges	(39,380)	(28)	Lower customs recharge income due to delays in overseas procurement of supplies.

FCDO FINANCIAL AID

Financial Aid Package

The 2026/27 FCDO financial aid package comprises £31.82 million in core financial aid, £0.776 million for the Royal St Helena Police Service, £3.17 million for airport operations, £0.55 million for the Tourism Development Fund and contingency call-down funding of £1.2 million. The full financial aid package is ring-fenced.

Ring-fenced support funding can be requested for:

- litigation, legal and investigation costs associated with negligence or malpractice cases;
- costs associated with air access for either charter flights or the scheduled air service;
- additional calls on the aero medical evacuation and overseas medical treatment costs; and
- additional areas of unforeseen expenditure as agreed in writing between FCDO and SHG.

This funding may be called upon if the budget risks identified during the financial year materialises.

Tranche 1 funding of £9.08 million was received in June 2026. Tranche 2 funding, covering the period July to September 2026, will be claimed in August 2026.