St Helena Government

SUMMARY BUDGET EXECUTION REPORT

FOR PERIOD 5 (AUGUST 2026)

FINANCIAL YEAR ENDING 31 MARCH 2027

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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 August, period 5 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 August 2026.

OUTTURN

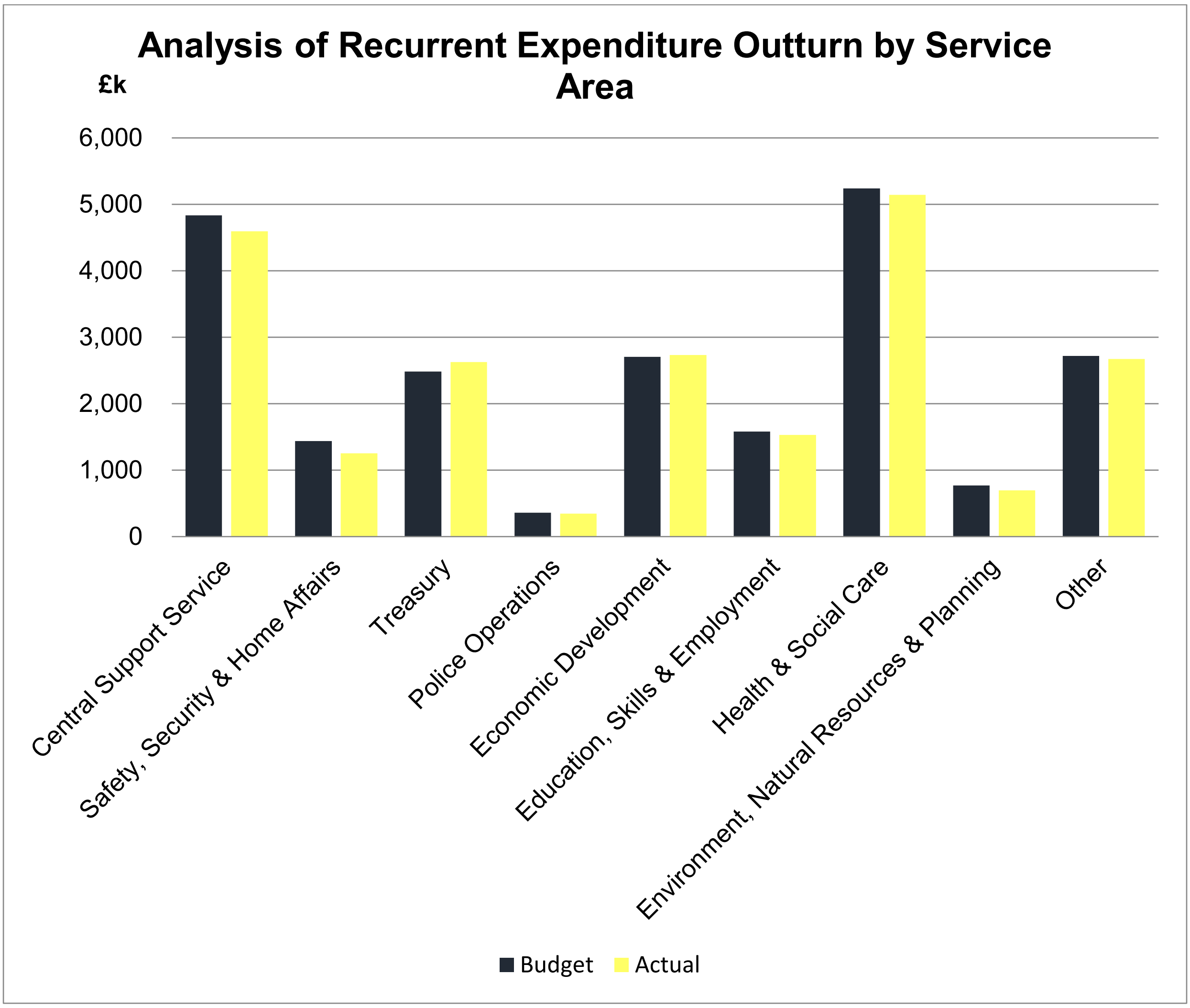
The Statement on page 6 reflects a year to date deficit of £786k. Expenditure totalled £21.6M against a budget of £22.1M and revenue of £20.8M, £29k lower than budget. As a result, the year to date budgeted deficit was reduced by £506k.

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	21,598	22,134	536	**2**
Capital Expenditure	1	0	(1)	**0**
Revenue	20,813	20,842	(29)	**0**
Surplus/Deficit	(786)	(1,292)	506	**(39)**

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	915	986	(71)
Alcohol	478	338	140
Tobacco	23	205	(182)
Fuel	185	172	13
Other Dues	131	122	9
Total Customs Dues	1,732	1,823	(91)
Income Taxes			
PAYE	2,524	2,586	(62)
Self Employed Tax	23	0	23
Corporation Tax	2	0	2
Service Tax	256	253	3
Withholding Tax	31	30	1
Total Income Taxes	2,836	2,869	(33)
Total	**4,568**	**4,692**	**(124)**

Area of Concern

Economic Development

- Air Services
  The Air Service incurred losses of £0.6M on flights between April and August 2026. In addition to low passenger numbers during the off-peak season, the cost of fuel per flight also increased. 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	4,596,028	4,834,571	238,543	5	1
Attorney General's Chambers	45,431	65,779	20,348	31	2
Safety, Security and Home Affairs	1,253,106	1,439,067	185,961	13	3
Judicial Services	83,708	64,515	(19,193)	(30)	4
Treasury	2,627,500	2,485,697	(141,803)	(6)	5
Police Operations	347,620	358,351	10,731	3	
Economic Development	2,732,369	2,704,716	(27,653)	(1)	
Education, Skills and Employment	1,530,374	1,579,562	49,188	3	
Health and Social Care	5,142,260	5,241,367	99,107	2	7
Environment, Natural Resources and Planning	694,156	769,961	75,805	10	8
	19,052,552	19,543,586	491,034	3	
Statutory Recurrent Expenditure					
Pensions and Benefits	2,545,409	2,590,000	44,591	2	
Total Recurrent Expenditure	**21,597,961**	**22,133,586**	**535,625**	**2**	
Appropriated Capital Expenditure					
Health and Social Care	637	0	(637)	0	
Total Capital Expenditure	**637**	**0**	**(637)**	**0**	
TOTAL EXPENDITURE	**21,598,598**	**22,133,586**	**534,988**	**2**	
REVENUE					
Local Revenue					
Taxes	4,567,576	4,692,000	(124,424)	(3)	9
Duty & Licences	113,631	99,450	14,181	14	10
Fines & Fees	420,390	325,982	94,408	29	11
Government Rents	223,208	221,670	1,538	1	
Earnings Government Departments	17,404	19,030	(1,626)	(9)	
Income Received	168,351	84,078	84,273	100	12
Treasury Receipts	69,461	101,300	(31,839)	(31)	13
Recharges	105,008	170,399	(65,391)	(38)	14
	5,685,029	5,713,909	(28,880)	(1)	
External Funding					
FCDO Core Financial Aid	13,809,550	13,809,550	0	0	
FCDO Airport Operations Financial Aid	1,318,750	1,318,750	0	0	
	15,128,300	15,128,300	0	0	
TOTAL REVENUE	**20,813,329**	**20,842,209**	**(28,880)**	**0**	
SURPLUS/ (DEFICIT)	**(785,269)**	**(1,291,377)**	**506,108**	**(39)**	

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	238,543	5	Vacancies across several service areas including key marketing roles which have delayed the implementation of digital media and marketing initiatives and reduced associated expenditure. Upgrade to SHG Intranet postponed until later in the financial year. Planned training activities postponed until later in the year. The underspend on TC posts has continued during the reporting period, reflecting vacancies remaining unfilled longer than anticipated due to recruitment difficulties in attracting suitable candidates, delays in confirming workforce plans and service requirements.
2	Attorney General's Chambers	20,348	31	Lower expenditure requirements, pending recruitment to vacant positions.
3	Safety, Security and Home Affairs	185,961	13	Staffing vacancies continues across 7 service areas within the portfolio. Hosting and maintenance fees for the Evisa portal not incurred during the reporting period. Delays in overseas procurement of emergency services equipment and supplies and finalising a new contract for security services for

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
				Ruperts Port. The cost of wharf equipment maintenance spares was met through the Essential Equipment Fund in the previous financial year, reducing expenditure against the operational budget in the current year.
4	Judicial Services	(19,193)	(30)	Professional fees incurred for document reviews and analytical services for a coroner's investigation was greater than the budget allocated for the period to date.
5	Treasury	(141,803)	(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	(27,653)	(1)	The overspend reflects losses incurred by Airlink under the Air Service Contract. This is partially offset by savings for the Aviation Fuel Facility, where anticipated operational costs factored into the budget did not materialise and timing related underspends within Airport Operations.
7	Health and Social Care	99,107	2	The underspend reflects staffing vacancies, delays in recruitment and the timing of procurement and related activities. This has partially offset an overspend on Overseas Medical Treatment, where patient referrals exceeded budgeted levels, with 60 referrals during the period compared to a budget provision of 34.

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
8	Environment, Natural Resources and Planning	75,805	10	11 vacant posts across 8 service areas of the portfolio. Forestry and Maintenance Contracts will be awarded later than anticipated.
	Local Revenue			
9	Taxes	(124,424)	(3)	The shortfall is mainly attributable to Tobacco duty and reflects a difference between the timing and level of collections assumed in the budget and actual receipts received for the year to date. Shortfalls are also recorded for Ad Valorem and PAYE tax. Further investigation is needed to determine the full year impact.
10	Duty & Licences	14,181	14	Mainly due to a one-off stamp duty receipt arising from a high-value property transaction completed during Period 5.
11	Fines & Fees	94,408	29	Increased income generated from services provided to visitors and visiting ships, including hospital, medical and mortuary services.
12	Income Received	84,273	100	Mainly attributed to an increase in the revenue from .sh domain name contract.
13	Treasury Receipts	(31,839)	(31)	Lower than anticipated interest returns on investments during the reporting period due to the cash flow requirements of the Government.
14	Recharges	(65,391)	(38)	Delays in the overseas procurement and importation of supplies resulting in lower customs recharge income.

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.

Financial Aid Receipts

Tranche 1 of £9.08 million was received in June 2026 to cover the period April to June 2026. Tranche 2 of £13.62 million was claimed in August 2026 and received in September 2026.

Summary of Financial Aid Recognised

The table below summarises financial aid recognised during the reporting period.

	Year to Date			
	Actual	Budget	Variance	
	£000	£000	£000	%
Core Financial Aid	13,810	13,810	0	0
Airport Operations	1,319	1,319	0	0
Total recognised to August 2026	**15,129**	**15,129**	0	**0**