

St Helena Government

SUMMARY BUDGET EXECUTION REPORT

FOR PERIOD 6 (SEPTEMBER 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 September, period 6 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 7 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 September 2026.

OUTTURN

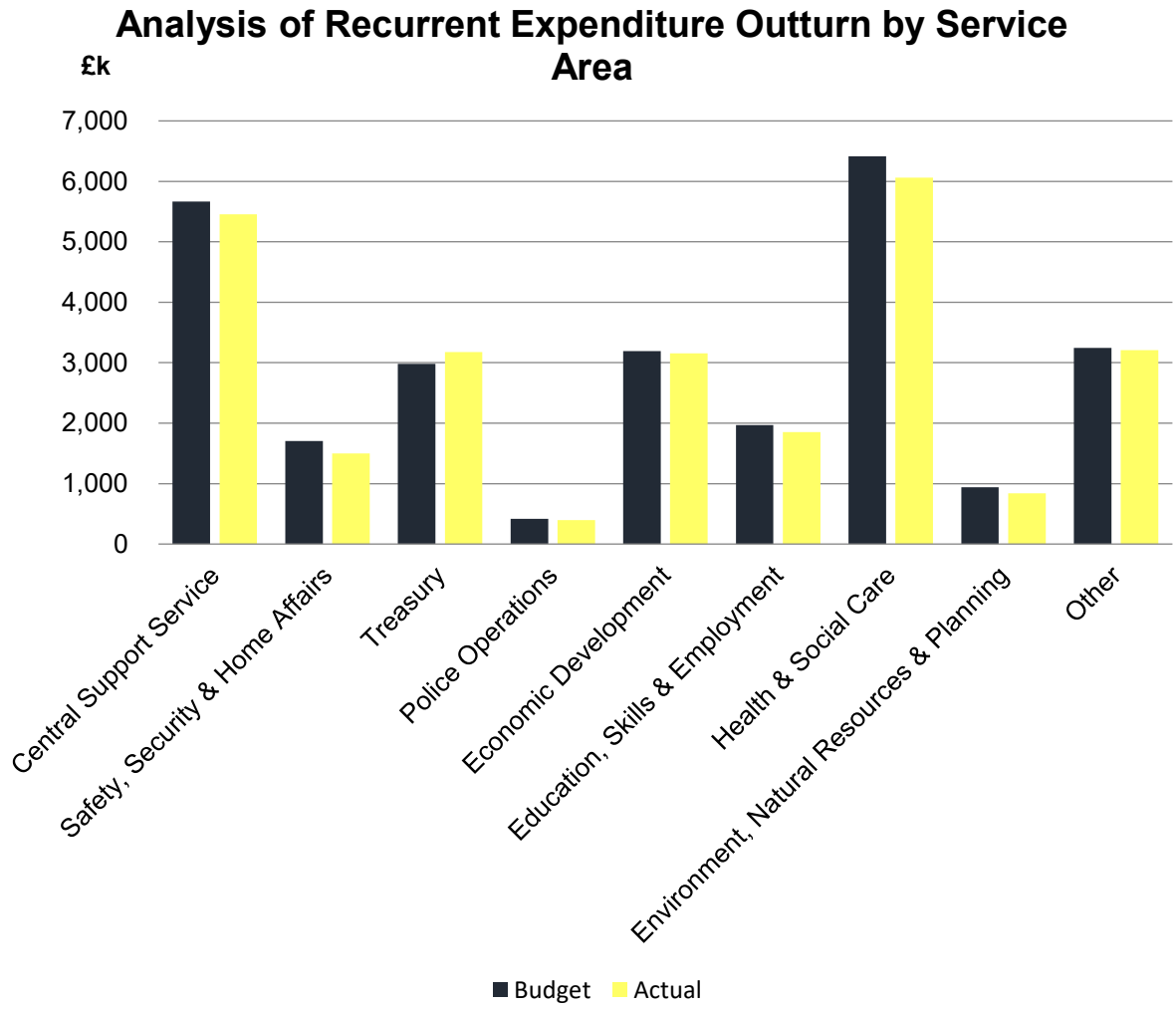
The Statement on page 7 reflects a year to date surplus of £944k compared with a budgeted surplus of £571k. Expenditure totalled £25.6M against a budget of £26.5M. Revenue was £26.6M, compared with a budget of £27.1M, a shortfall of £0.5M. Overall, the year to date position was £373k favourable compared with budget.

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	25,639	26,532	893	**3**
Capital Expenditure	1	0	(1)	**0**
Revenue	26,584	27,103	(519)	**(2)**
Surplus/Deficit	944	571	373	**65**

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	Budget	Variance
	£000	£000	£000
Customs Dues			
Ad Valorem	1,200	1,166	34
Alcohol	570	401	169
Tobacco	32	605	(573)
Fuel	101	87	14
Other Dues	160	127	33
Total Customs Dues	2,063	2,386	(323)
Income Taxes			
PAYE	3,026	3,098	(72)
Self Employed Tax	339	374	(35)
Corporation Tax	1,226	1,380	(154)
Service Tax	301	307	(6)
Withholding Tax	32	30	2
Total Income Taxes	4,924	5,189	(265)
Total	**6,987**	**7,575**	**(588)**

Areas of Concern

Economic Development

- Air Services
  The Air Service incurred losses of £0.6M on flights between April and September 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.

Treasury

- Legal fees
  Expenditure on legal costs has been incurred during the reporting period. These costs are expected to increase over the remainder of the financial year due to civil and family cases, creating a potential budget pressure that will require close monitoring.

Revenue

- Taxes
  Tax revenues are £588k below the year-to-date budget, reflecting underperformance across both Customs Dues and Income Taxes. Current trends indicate a risk that the overall tax revenue target will not be achieved by year end unless there is a significant improvement in collections during the remaining months of the financial year.

Customs Dues are currently £323k below budget, largely attributable to a substantial shortfall in Tobacco Duty receipts. Based on current collection levels and latest forecasts, this shortfall is expected to continue throughout the remainder of the financial year and will likely result in Customs Dues remaining below budget at year end. Ad Valorem Duty is currently performing slightly favourably against the budget. The reduction in shipping sailings during 2026/27 compared with the assumptions used in the approved budget is expected to have some impact on import related revenues and may place further pressure on yearend outturns.

Income Taxes are currently £265k below budget, mainly due to lower than anticipated Corporation Tax, PAYE and Self-Employed Tax receipts. Although collection levels will continue to be monitored closely, current forecasts suggest that a proportion of these shortfalls may remain at year end, contributing to the overall revenue deficit.

The main risk to the yearend revenue position is the continued under collection of Customs Dues, which are expected to account for the majority of the forecast shortfall against the budget.

STATEMENT OF COMPARISON OF BUDGET AND ACTUALS

	Actual £	Budget £	Variance £	%	Notes
EXPENDITURE					
Appropriated Recurrent Expenditure					
Central Support Service	5,452,984	5,665,790	212,806	4	1
Attorney General's Chambers	52,936	70,720	17,784	25	2
Safety, Security and Home Affairs	1,500,383	1,704,200	203,817	12	3
Judicial Services	92,680	81,467	(11,213)	(14)	4
Treasury	3,173,980	2,982,794	(191,186)	(6)	5
Police Operations	395,336	419,247	23,911	6	6
Economic Development	3,153,097	3,192,906	39,809	1	
Education, Skills and Employment	1,854,323	1,965,515	111,192	6	7
Health and Social Care	6,061,689	6,416,881	355,192	6	8
Environment, Natural Resources and Planning	838,670	937,666	98,996	11	9
	22,576,078	23,437,186	861,108	4	
Statutory Recurrent Expenditure					
Pensions and Benefits	3,063,100	3,095,037	31,937	1	
Total Recurrent Expenditure	**25,639,178**	**26,532,223**	**893,045**	**3**	
Appropriated Capital Expenditure					
Health and Social Care	637	0	(637)	0	
Total Capital Expenditure	**637**	**0**	**(637)**	**0**	
TOTAL EXPENDITURE	**25,639,815**	**26,532,223**	**892,408**	**3**	
REVENUE					
Local Revenue					
Taxes	6,986,492	7,575,000	(588,508)	(8)	10
Duty & Licences	153,121	144,050	9,071	6	11
Fines & Fees	444,550	376,680	67,870	18	12
Government Rents	253,970	259,121	(5,151)	(2)	
Earnings Government Departments	20,542	23,656	(3,114)	(13)	
Income Received	298,283	209,145	89,138	43	13
Treasury Receipts	84,358	121,450	(37,092)	(31)	14
Recharges	188,844	240,237	(51,393)	(21)	15
	8,430,160	8,949,339	(519,179)	(6)	
External Funding					
FCDO Core Financial Aid	16,571,460	16,571,460	0	0	
FCDO Airport Operations Financial Aid	1,582,500	1,582,500	0	0	
	18,153,960	18,153,960	0	0	
TOTAL REVENUE	**26,584,120**	**27,103,299**	**(519,179)**	**(2)**	
SURPLUS/ (DEFICIT)	**944,305**	**571,076**	**373,229**	**65**	

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	212,806	4	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	17,784	25	Lower expenditure reflects the delayed recruitment to posts, with new recruits commencing later than originally anticipated.

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
3	Safety, Security and Home Affairs	203,817	12	There are currently 20 vacant posts across the portfolio. The level of vacancies continues to be a significant contributor to the overall underspend. Delayed deliveries of emergency services equipment and supplies. The planned purchase of bitumen for road maintenance has been deferred to allow existing stock to be utilised before additional supplies are purchased. As previously reported, 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 of the current year.
4	Judicial Services	(11,213)	(14)	The overspend continues to reflect professional fees associated with document reviews and analytical services for coroner's investigations, with costs incurred exceeding the budget allocated for the period.
5	Treasury	(191,186)	(6)	As previously reported expenditure pressures include the increased costs associated with essential IT renewal and software licences required to maintain operational accounting systems; Unbudgeted expenditure incurred in responding to Hantavirus

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
				related requirements; and costs associated with Supreme Court cases, including barristers' fees and travel expenses. Redundancy costs exceeded the budget provision during the reporting period, contributing to the current overspend position.
6	Police Operations	23,911	6	Vacant local posts and no requirement for overseas forensic examination and analysis of case related material.
7	Education, Skills and Employment	111,192	6	Vacant local posts across the portfolio during the organisational review and restructuring.
8	Health and Social Care	355,192	6	The underspend mainly reflects delayed purchasing of pharmaceutical and medical supplies against the planned budget. As stock was received and issued later than anticipated, expenditure has been deferred into future periods. The variance is therefore timing related and is expected to reduce as orders are received and processed.
9	Environment, Natural Resources and Planning	98,996	11	13 vacant local posts across the portfolio are reported as at the end of September. Agricultural and forestry contracts, including the invasive weed programme, were awarded later than anticipated.

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
	Local Revenue			
10	Taxes	(588,508)	(8)	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 majority of income tax categories.
11	Duty & Licences	9,071	6	Mainly due to a one-off stamp duty receipt arising from a high-value property transaction completed during quarter 2.
12	Fines & Fees	67,870	18	100 new financial services company registrations during quarter 2. Increased income generated from services provided to visitors and visiting ships, including hospital, medical and mortuary services.
13	Income Received	89,138	43	Increase in the revenue from .sh domain name contract. Revenue generated from Health Administration charges for processing documentation associated with patients of visiting ships.
14	Treasury Receipts	(37,092)	(31)	Lower than anticipated interest returns on investments during the reporting period due to the cash flow requirements of the Government.

Note	Budget Component	Budget less Actual		Variance Explanations
		£	%	
15	Recharges	(51,393)	(21)	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	16,571	16,571	0	0
Airport Operations	1,583	1,583	0	0
Total recognised to September 2026	**18,154**	**18,154**	0	**0**