

Annex A



ST HELENA GOVERNMENT SUBSIDIES POLICY

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1. Introduction

1.1. Background

The St Helena Government (SHG) provides a number of subsidies to organisations in the community that deliver specific services to the wider community or that advance and further the objectives of the Government in certain sectors. Although this policy addresses SHG subsidies, it is important to note that grants and subsidies are inextricably linked and many of the matters identified relate to both grants and subsidies. SHG Grants policy should be read in conjunction with this policy.

In the 2019/20 fiscal year SHG spent almost £7.0 million on various forms of subsidies. SHG recognises that government subsidies that support the work of organisations within the community deliver key public services for the economic and social development of the Island. SHG also recognises that appropriate support through financial interventions contributes to the growth of key sectors within the economy.

SHG is moving away from a subsidy being defined by the organisation to which that subsidy is given, towards a model whereby the subsidy is defined by the outcome to which that subsidy aims to achieve.

This policy sets out the key issues identified by stakeholders with regards to the decision-making process, governance and administration of subsidies by SHG and monitoring the impacts of those subsidies. It is intended that this policy will set the framework for governance arrangements, outline the intentions and aims of SHG in providing subsidies and provide the mechanism by which subsidies are approved and administered.

A separate Procedure document and Implementation Plan underpins this policy that sets out the specific processes by which all subsidies should be assessed, analysed, approved and managed within SHG.

1.2. Issues Addressed

In the development of this policy, a number of issues with the current system were identified. The most obvious issue is the current absence of a policy governing subsidies despite the fact that SHG currently allocates a significant proportion of its recurrent budget annually to different forms of subsidies.

In addition to the absence of a policy governing subsidies, further issues were identified from discussions with various stakeholders. It is important that the issues in relation to the governance, administration and decision-making around SHG subsidies are clearly defined and articulated here to provide meaningful context to this policy.

Common themes flowing from discussions with stakeholders are summarised below:

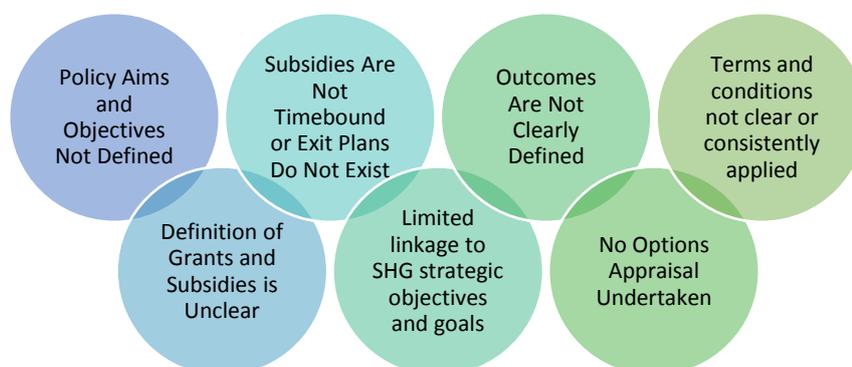


Figure 1 Key Issues Identified with the current system

This policy aims to move the allocation of subsidies to a process which is more outcome focused and regularly evaluated. Key Performance Indicators (KPIs) shall be developed for any subsidy agreed and will be factored into the performance management processes.

2. Policy Outline and Scope

2.1 Aims and Objectives

It is the intention of SHG to make financial interventions through the provision of subsidies where it is reasonable and justifiable to do so to sectors, organisations or businesses in the community that:

- ensures the availability, affordability and access to specific basic and essential commodities and services; and/ or
- advance and further the strategic objectives and long term goals of SHG and the Island as outlined in the 10 Year Plan, Sustainable Economic Development Plan, Labour Market Strategy, 2050 Strategy and other key SHG policies and strategies.

Direct and indirect financial interventions made by SHG through subsidies is a legitimate and often effective means to support and influence behaviours and activities within the community and therefore where the private sector cannot provide the needed goods or services without subsidy it is not unreasonable to assume that SHG will continue to receive requests and proposals for subsidies in the development of policies to ensure that the best outcomes are achieved for the Island.

This policy is an overarching policy. Individual subsidies developed and approved under this policy will have their own specific policy that sets out SHG's intentions, aims and objectives in relation to that intervention that include the means to measure and monitor outcomes and impact.

It is not the intention of this policy to outline the specific objectives or intended outcomes of each of the current subsidies in operation or future subsidies. This will be considered and documented as part of the implementation of this policy. The aims and objectives under this policy set the foundation and collective basis on which all financial interventions in the form of subsidies are determined, assessed, approved and monitored going forward.

Through the implementation of this policy SHG aims to:

- ensure a fair, clear and consistent approach to the determination, allocation and award of subsidies;**
- define the governance arrangements for any subsidy approved;**
- ensure that the policy intention behind any subsidy is clearly articulated to key stakeholders;**
- ensure the provision of all financial support through subsidies is consistent within the intervention principles and any other requirements of this policy;**
- ensure that the subsidies are targeted, and are directed to the right sector, organisation or people within the community who need access to a particular set of goods or services.**

2.2 National Goals and Strategic Objectives

The intention of SHG under this policy is to provide a clear process by which SHG can consider a financial intervention through the provision of a subsidy. This policy should be seen as an enabling policy, as on

its own it does not contribute to any specific goal under the 10 Year Plan¹ or Sustainable Economic Development Plan² (SEDP). However, the individual subsidies that are considered and approved through the implementation of this enabling policy must contribute to the delivery of the national goals under the 10 Year Plan or the goals under the SEDP.

A subsidy must not be approved under this policy unless it can be clearly demonstrated that the intended outcomes align to the goals and strategic objectives under the 10 Year Plan or SEDP.

2.3 Definitions

A **Subsidy** under this policy is defined as a direct or indirect intervention made by SHG through the transfer of a financial benefit to another entity to support them in the achievement of a particular objective or activity or to influence a particular activity or behaviour within the economy or the community for an agreed period of time.

These are generally larger interventions made in the form of a series of direct transfers over time or indirectly through tax reductions to influence behaviours with regard to availability of commodities or services or the cost of commodities or services within the community with social or economic benefits.

It is typically given to alleviate a particular constraint to ensure a service continues or a commodity is provided in the overall interest of the public for social or economic development purposes.

In practice, SHG can use a subsidy to stimulate growth in a particular economic sector or to ensure that the cost of a commodity or service is kept at a certain level. These arrangements generally carry higher risk as the outcomes are not always clearly visible but they must be aligned to the achievement of a particular strategic goal and objective of the SHG.

Furthermore, subsidies should be defined by the nature of the policy intention behind the subsidy. This fosters greater clarity and understanding of the subsidy provided for all stakeholders but in particular the wider public.

Production Subsidies are provided to reduce specific production costs in order to encourage an increase in the production of a particular product.

For example, the agricultural water subsidy is intended to partially cover the cost of agricultural water to increase local production of vegetables.

Consumer Subsidies are provided mainly for social benefits to limit or reduce the cost of goods and services consumed within the community to ensure that everyone in the community has access to certain essential goods and services.

For example, fuel customs duty exemption is provided to Connect Saint Helena Ltd for the fuel that it uses to generate electricity, this is intended to keep the price of electricity at an affordable level for consumers.

Subsidies are therefore medium term interventions designed to influence activities within the economy to stimulate growth and sustainability particularly during periods of significant uncertainty or at the early stages of an emerging sector.

¹ [St Helena Island 10 Year Plan 2017-2027](#) approved by Executive Council on 20 January 2017

² [St Helena's Sustainable Economic Development Plan 2018-2028](#) Approved by Executive Council on 1 May 2018

2.4 Scope

Invariably government subsidies and government grants are perceived either to be one and the same or are perceived to carry the same level of benefits or risks. Government subsidies and government grants are different and should be treated differently in the determination, award and governance arrangements surrounding them.

A **Government Grant** is defined as a one off sum, transferred directly to another entity that does not have to be repaid and must be used for a specific and defined purpose that is agreed between both SHG and the entity. It is a short term intervention by the government to support a particular activity or action within the economy or community with a specific deliverable.

This policy does not cover government grants. There is a separate policy on the determination and award of government grants.

Public service provision is not covered under this policy. There is a separate policy on the determination and allocation of funding for public service provisions.

A **Public Service Provision** is defined as the appropriation of funding by the government to a statutory or public institution for the delivery of a public, community or statutory service under law with no affiliation with the government to either partially or fully meet the cost of the statutory service to the public.

For example, the Equality & Human Rights Commission is a statutory body established under law.

Public Service Provisions are separate to subsidies because by their nature and service they have a very distinct purpose under the law that cannot be provided by another entity or by the government. The duration of a Public Service Provision is therefore expected to be long term and will be determined by the law which governs their operations.

This policy also does not cover public investments made by SHG in another entity whether privately or publicly owned, for example a capital investment in Connect Saint Helena Ltd. Investments are the transfer of funds from the government for which equity shares are issued by the entity. The decisions around whether the government should invest further in an entity, though related will depend on a number of other key factors that are not covered under this policy.

SHG also makes statutory social payments under law including social benefits, government pensions, and under policy, disability allowances. Although these payments will have measurable economic and social benefits they are not classed as grants or subsidies and are therefore not covered under this policy.

Any transfer of financial benefit whether directly or indirectly from SHG to another entity other than for the purchase of assets, goods or services, statutory payments, grants, public service provisions or investments should be dealt with under this policy.

2.5 Rationale for Interventions

Many goods and services on St Helena can and are provided by the private sector. However, like in other economies, it may become necessary for SHG to intervene when the market does not allocate resources equitably should it be left unaided. For example, on St Helena, the small consumer market makes the provision of many essential services by the private sector unviable. SHG may deem the provision of a service important to the public and subsidise it in order for it to be available.

As described in the UK's Office of Fair Trading document 'Government in Markets' 2009³, 'Government plays a vital role in creating the basic framework within which fair and open competitive markets exist. It sets the rules and regulations that determine the appropriate conduct of firms and individuals and creates the institutions necessary for their enforcement. Without these basic rules and regulations, markets could not operate effectively. A competition and consumer law framework is essential to ensure firms are unable to exploit market power and consumers are protected from unfair trading practices. Poorly regulated markets can be detrimental to consumers. It is important that Government creates effective rules and regulations that generate the best outcomes for consumers. Policy makers should take care that their policies do not unnecessarily infringe on the established competition and consumer law framework as the consequences for consumers might be significant.

'Government frequently intervenes to achieve particular social objectives, such as poverty reduction or improvement of the health and well-being of citizens. Government also intervenes where markets have failed to help stabilise the economy following an unexpected disturbance, or to help speed up the economic recovery following a downturn. This has recently been observed following the financial crisis and economic downturn.'

It is important for good governance and good public financial management, accountability and transparency that the rationale behind each and every intervention by SHG in the form of a subsidy is clearly defined and understood by decisions makers and stakeholders.

2.6 Intervention Principles

Under this policy the rationale for intervening in the market in the case of a government subsidy is for one of the following Principles:

- **Missing or incomplete markets:** where goods and services are not provided by the private sector leading to a failure to meet a need for a public good e.g. water and sewerage services, sports facilities, extracurricular education
- **Negative externalities:** where one or more consumer or producer causes an effect on third parties e.g. controlling environmental, noise or light pollution
- **Monopoly power:** If a producer has control of over 70% of the market and there is a risk of abuse of power through, for example, eliciting overly high prices, manipulation of markets or the public, government can work to develop alternatives and encourage competition
- **Unstable markets:** When markets become unstable, and the Government deems market stability important to achieve economic development goals, the Government may intervene to ensure equilibrium.

All subsidies considered under this policy must specify which of the four Intervention Principles described above it is seeking to address. This should be outlined in the policy statement relating to that subsidy. No subsidy shall be approved unless it seeks to address one of the above Intervention Principles within a particular sector. In each case appropriate evidence and supporting data must be provided that clearly demonstrates that the issue the subsidy intends to address is a real and is not a perceive issue.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/284451/OFT1113.pdf

2.7 Legal Framework

There are no specific Ordinances or Regulations under which this policy sits or to which this policy underpins. In the allocation and application of subsidies under this policy payments must be made in accordance with the Public Finance Ordinance 2010 and the Financial Regulations.

Each individual subsidy approved under this policy will have its own linkages to legislation which will be separately outlined under the individual subsidy policy.

2.8 Baseline Statistics

SHG allocates a significant proportion of its annual recurrent budget in the form of subsidies. In the financial year 2019/20, almost £7.0 million was spent across a range of sectors through 11 subsidies. This is delivered through direct financial payments and tax breaks provided to businesses and third sector entities within the community. The current level of spend on subsidies represents 15.2% of the overall SHG recurrent budget for 2019/20 financial year.

Some subsidies provided, for example Utilities subsidy through Connect Saint Helena Ltd, will benefit a wide section of the population and businesses on the Island whereas other subsidies are more targeted to a particular sector, for example Agricultural Water subsidy through the Environment, Natural Resources & Planning Directorate.

As this policy is an enabling policy it means that there are limited statistics that can be provided here. The individual subsidy policies that are developed through this enabling policy will contain the baseline statistics related to the particular sector or the issue being addressed. It will contain the pertinent information necessary to enable measurement of the achievement of the agreed objectives related to that specific subsidy.

3. Policy Application

3.1. Individual Subsidy Policy

Despite the fact that all subsidies are governed by this policy it is also recognised that each subsidy on its own will have its own policy intentions and expected outcomes. An individual policy should be developed for each proposed subsidy that sets out the business need for that subsidy, the rationale for the intervention and should outline as a minimum the issues to be addressed, risks to the delivery of SHG strategic objectives, options for addressing the issues and financial, social and economic analysis. It is the responsibility of the Administration through the directorate policy lead officer (*ref section 4.2*) to develop the policy through the policy process once an issue has been identified.

A **Subsidy Policy Statement** should also be developed and issued for each subsidy agreed following approval. This policy statement should be publicised and should include the policy intention behind the subsidy, the expected outcomes and should include measurable performance indicators that demonstrate over the life of the subsidy how the intended outcomes are being achieved through the intervention being made. This should be reported on an annual basis and be made available to the public.

Each subsidy will be defined by the intended outcome the funding is designed to achieve rather than the organisation to which the subsidy is given. This means that one organisation could benefit from more than one subsidy, and more than one organisation could be granted subsidy from a specific subsidy budget. Therefore the Subsidy Policy Statement will be outcome focused.

Where it is determined that the intended outcomes can be achieved through more than one organisation a bidding process will apply. This will be determined from the outset.

Multiple year funding can be agreed by SHG and will be at the sole discretion of the approval body outlined in section 3.5 below and will primarily be dependent on whether SHG is able to secure a multi-year funding programme from the UK Government however there may be other reasons why only an annual allocation is agreed.

3.2. Appraisal

A rigorous and robust process of appraisal through the policy process should be conducted before a subsidy is approved. Opportunity cost⁴ should be clearly measured and defined as part of developing the individual subsidy policy. A subsidy should be viewed and presented as one option out of a range of options and should not be seen or presented as the primary or only option available.

3.3. Subsidy Requirements

It is important when considering a subsidy to take in account the following requirements outlined below. Each individual subsidy should strive to attain or work towards these different aspects:

3.3.1. Strategic Benefit

A subsidy must support the achievement of one or more of the seven national goals as set out in the St Helena Ten Year Plan 2017-2027 or one or more of the goals under the 2018 Sustainable Economic Development Plan. A subsidy should seek to achieve the strategic

⁴ The opportunity cost can be defined as a benefit, profit, or value of something that must be given up to acquire or achieve something else. Since every resource (land, money, time, etc.) can be put to alternative uses, every action, choice, or decision has an associated opportunity cost.

Read more: <http://www.businessdictionary.com/definition/opportunity-cost.html>

objectives of the government and avoid, where possible, addressing operational matters and must demonstrate an ability to address a market failure such as unstable market, incomplete market, monopoly or externality problem.

3.3.2. Growth & Sustainability

A subsidy should seek, as far as it is possible to do so, to stimulate growth and sustainability in a particular sector with measurable economic or social benefits. A subsidy should not simply be used to maintain the status quo within a particular sector or business nor should it be used only to 'bail out' a failing business - these should be secondary benefits. However, it is recognised that there might be instances where SHG might want to intervene for a specified period of time but there is limited scope for growth or to establish sustainability. In these instances a clear exit strategy is required up front.

3.3.3. Accountability & Transparency

An entity or consortium of entities eligible for a subsidy must be accountable for the deliverables associated with the subsidy and must ensure transparency in the use of the subsidy to deliver those deliverables. Where appropriate to do so publication of the annual accounts of the entities should be considered or other means to hold those in receipt of public funds accountable. It is imperative for public accountability and transparency that the government is also able to demonstrate how all government subsidies meet and supports the overall aims and strategic objectives for the Island.

3.3.4. Timeframes

A subsidy must not be agreed unless there is a clear timeframe or duration is agreed. A subsidy cannot be agreed for an undefined period of time. Clear review periods should be built in to the overall strategy to provide an opportunity for evaluation of the benefits being derived and the achievement of the intended outcomes. Each subsidy must have a clear exit plan or strategy agreed beforehand between SHG and the sector/ entity (where applicable) to reduce and eventually eliminate that subsidy over time. If at the end of the subsidy it is felt that the circumstances have changed and a subsidy should continue the individual subsidy policy should be revisited, updated and considered through the same process.

3.3.5. Targeted

Subsidies should be targeted. As far as it is reasonably possible all subsidies provided by SHG should seek to target the specific businesses, sectors or groups within society that need and would benefit from the intervention. A subsidy should be structured so that the benefit addresses the specific needs or issue that has been identified to be addressed and the intended benefits reach the targeted recipients. Unintended consequences should be tested and corrective action should be undertaken in developing the individual subsidy policy where it is possible to do so.

3.4. Subsidy Implementation

Consideration shall be given to how a subsidy will be delivered to the community to achieve the intended benefits. A subsidy could be delivered directly by SHG to individuals, businesses or other entity or could be delivered indirectly through a third party or delivery partner.

Whichever delivery method is best suited for a particular subsidy, appropriate controls should be established by SHG to ensure that the intended benefits are delivered to the intended beneficiaries. This should be clearly outlined in the individual policy related to that particular subsidy.

Under each separate subsidy, appropriate eligibility criteria should be set but the following must apply in cases where the government is providing a direct subsidy to an organisation. This does not apply where SHG under the proposed individual subsidy policy is providing a direct subsidy to private sector businesses through a Production Subsidy.

Further guidance on eligibility criteria for an organisation to be eligible for a direct government subsidy is contained in the Procedures document. The onus is on the entity to demonstrate that they meet the criteria by providing the necessary supporting evidence.

3.5. Approval Levels

It is recognised that the subsidies provided by SHG can vary in size and risk and therefore a risk based approach has been adopted in this policy to ensure that the appropriate level of approval is obtained. Subsidies are simply categorised into lower or higher risk subsidies. Depending on the risk level of the subsidy different controls, terms and conditions and approval authority will apply.

There are many factors to consider in terms of whether a subsidy is considered a **low risk** or **high risk** subsidy and there are different controls that can be put in place to mitigate those risks. The most pertinent in relation to this policy are:

- the intended beneficiaries (is this a national or cross-cutting matter);
- duration of the subsidy (the life of the subsidy);
- the total financial exposure of the government over the life of the subsidy; and
- the complexity of the delivery or administration process.

Although it is recognised that there are many other qualitative factors, for the purposes of this policy, a subsidy is considered to be of higher risk where:

- the matter to be addressed is of national importance or is a cross-cutting matter affecting a high proportion of the population;
- the value over the life of the subsidy is expected to be greater than £500,000 or is unknown;
- the duration is greater than 1 year; or
- the process by which it is to be administered is complex e.g. administered through an additional allowance under the tax legislation.

Conversely, a subsidy is considered low risk if the expected exposure is less than £500,000 over the duration of the subsidy; the duration is less than one year; there is a simple administration process e.g. a fixed monthly transfer or is confined to a small group.

If a subsidy is considered to be of higher risk, the policy should include controls to limit the risk and the exposure of SHG where it is appropriate to do so. This could include measures like utilisation of Board membership where applicable, increase the frequency of review points throughout the duration of the subsidy or to administer the subsidy directly through existing processes.

3.5.1. Low Risk Subsidies

Approval

Approval for a lower risk subsidy should be granted by a Council Committee subject to the required budget being identified and ring-fenced by the Accounting Officer.

Terms & Conditions

Terms and conditions will vary depending on the level of risk and whether it is a direct or indirect subsidy through third party or delivery partner. The policy developed to support the subsidy should specify the terms and conditions associated with that subsidy.

If a subsidy is administered through a third party or directly by SHG to another entity, as a minimum the following should apply:

- Ensure that the funding is used for the purposes for which the funding was provided (where applicable) as detailed in their application;
- Provide the quantitative and qualitative data required under the subsidy in order to measure performance against intended outcomes;
- Comply and actively work towards strategic objectives as set out in Government plans, strategies and policies (where applicable).

The list above is not exhaustive and further terms and conditions can be added if it is felt that it is appropriate to do so.

3.5.2. High Risk Subsidies

Approval

Approval of a high risk subsidy should be granted by Executive Council subject to the required budget being identified and ring-fenced by the Accounting Officer.

Terms & Conditions

Terms and conditions will vary depending on the level of risk and whether it is a direct or indirect subsidy. The policy developed to support the subsidy should specify the terms and conditions associated with that subsidy.

If a subsidy is administered through a third party or directly by SHG to another entity, as a minimum the following should apply:

- Ensure that the funding is used for the purposes for which the funding was provided (where applicable) as detailed in their application;
- Submit quarterly Management Accounts in a form agreed with Corporate Finance showing clearly total revenue and expenditure against budget, surplus or deficit, cash flow and cash holdings, and accumulated financial position. Submitted before the release of the next funding tranche;
- Submit audited (or independently examined) financial statements for the previous year with no issues of fraud or irregularity identified (these must be made publically available);
- Submit a Mid-Year Report on performance and a detailed Annual Report that sets out how the funding was used to deliver the objectives of the subsidy with supporting evidence;
- Provide the quantitative and qualitative data required under the subsidy in order to measure performance against intended outcomes;
- Establish appropriate mechanisms to independently assess and review controls;

- Establish appropriate risk management processes;
- Comply and actively work towards strategic objectives as set out in Government plans, strategies and policies.

The list above is not exhaustive and further terms and conditions can be added if it is felt that it is appropriate to do so.

4. Governance and Administration

4.1. Roles and Responsibilities

It is important that the roles and responsibilities in relation to governance and administration of subsidies under this policy is clearly defined and is summarised below. However more detail is provided in the Procedures document.

4.2. Lead Officer

A lead officer should be identified for each government subsidy who will prepare and develop the policy and subsidy policy statement in conjunction with the director, if the director is not the lead officer and in accordance with the policy development process. They will also be responsible for presenting the policy to the appropriate decision making body defined under this policy.

The lead officer will also be responsible for the management of that subsidy throughout the life of the subsidy ensuring the effective implementation of control measures as part of the process. They will be responsible for monitoring the performance of the subsidy, ensuring the data is collected and reported appropriately.

4.3. Decision Making

4.3.1. Executive and Legislative Councils

Executive Council considers and approves all high risk subsidies and provides the strategic and policy direction for SHG in relation to subsidies. The Legislative Council consisting of all twelve elected members scrutinises and approves the budget allocation for subsidies through the Appropriation process.

It is these bodies that determine budget allocation and gives the final approval for the Government programme for subsidies for the financial year. Executive Council is the body that decides the final package for inclusion in the Government Budget and it is Legislative Council that scrutinises and approves that Budget.

4.3.2. Council Committees

The Social and Community Development Committee (S&CDC) has political responsibility and oversight for the allocation of subsidies that furthers or supports social development in the community. Therefore, subsidies that have social benefits or implications should be considered for endorsement by the S&CDC before final approval.

The Economic Development Committee (EDC) has political responsibility and oversight for the allocation of subsidies that furthers or supports economic development in the community. Therefore, subsidies that have economic policy intentions, benefits or implications should be considered for endorsement by the EDC before final approval.

The principle above also applies to other Council Committees where the intended outcomes, benefits or implications affect their portfolio. Their endorsement or approval should be sought. However in all cases where there are cross cutting policy areas Executive Council can immediately consider and approve without first seeking endorsement from Council Committees.

4.3.3. Executive Council and Council Committee Responsibilities:

Executive Council and Council Committees in considering proposals for government subsidies will have responsibility for:

1. Ensuring that their consideration and decisions on subsidies are free from bias and personal interest;
2. Ensuring fair consideration of the application in accordance with the policy and legislative requirements;
3. Ensuring sufficient budgetary provision is made before a subsidy is approved;
4. Agreeing reasonable objectives and key performance indicators (KPIs) for subsidies approved;
5. Holding the administration to account for the proper administration of this policy;
6. Holding Those Charged with Governance within an entity to account for the efficient, effective and economical use of Government funds provided.

4.4. Budgetary Control

The full provision for subsidies should be separately accounted for and clearly disclosed and easily identifiable within the government budget.

The relevant Accounting Officer shall ensure that sufficient budgetary provision is made for the subsidy in accordance with the approved policy as part of the annual MTEF process and throughout the financial year.

The Accounting Officer shall be responsible for proper budgetary control around the release of Government funding for subsidies and ensuring that the budget allocated to subsidies by Legislative Council throughout the year is spent in accordance with the parameters set and will ensure that payments are made in accordance with the Financial Regulations, ensuring that any deviation from the agreed payment schedules is flagged with the relevant decision making body and reasons for the deviation fully explained.

4.5. Administration

Corporate Finance shall be responsible for the administration and management of all cross cutting subsidies on behalf of SHG in accordance with this policy and the associated procedures, except where it is functionally appropriate to be administered and managed by another directorate e.g. in the case of agriculture based subsidies. This shall be agreed as part of the approval process.

The Deputy Financial Secretary shall have overall responsibility for the proper administration of this policy but where a subsidy is directorate specific the Lead Officer shall have the responsibilities and will be responsible for:

1. Co-ordinating the submission of Applications and supporting documents from entities;
2. Analysing submissions for consideration by the relevant approval body;
3. Communicating with those entities throughout the process, i.e. in application, in the lead up to decisions, communicating decisions, issuing of Award Letters on behalf of SHG;

4. Monitoring performance throughout the year against agreed performance objectives, KPIs and budgets;
5. Ensuring in-year submissions and compliance with terms and conditions as set out in approval letters;
6. Reporting back to the respective approval body on a regular basis throughout the year on performance and compliance; and
7. Ensuring that notice is given before the end of a term and that the end of a grant/subsidy is managed.

5. Procedures Document

5.1. Applications and Submissions

This Policy does not provide the process for applications and submissions, this will be detailed in a separate Procedures document and in the individual policy documents related to each subsidy.

5.2. Notification of Decisions

This Policy does not provide the process for notification, this will be detailed in a separate Procedures document and in the individual policy documents related to each subsidy.

6. Policy Review

This policy should be reviewed by Executive Council every two years to ensure it still meets the strategic aims and the policy intention. The policy review should be led by the Deputy Financial Secretary and shall report back to Executive Council the findings and recommendations where applicable.