



GOVERNMENT OF ST HELENA

ESTIMATES OF RECURRENT AND CAPITAL EXPENDITURE AND REVENUE

2021/2022-2023/2024



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EXPENDITURE AND REVENUE

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GOVERNMENT OF ST HELENA BUDGET 2021/22

FOREWORD BY THE FINANCIAL SECRETARY

Budget Overview

The Government of St Helena's budget for the financial year 2021/22 is another significant and challenging budget for the Island.

The budget process is, as always, led by Elected Members and they take responsibility for the budget-setting approach and allocation of funding. Elected Members have once again made difficult decisions around prioritising expenditure to ensure that the significant risks identified as part of the strategic planning and budgeting process, are adequately mitigated as far as it is reasonably possible to do within the resources available.

The total expenditure budget for 2020/21 is £48.462 million, comprising of £46.851 million for recurrent expenditure and a further £1.611 million allocated for capital expenditure across directorates and service areas. This budget sets out the Government's estimate of the amounts necessary to deliver public services for the financial year 2021/22 to deliver outputs and outcomes as set out in its Strategic Priorities and the Island's National Goals contained within the 10 year Plan 2017-2027.

The budget represents an overall decrease in nominal terms in expenditure of £0.614 million in comparison to the previous year. However, the 2021/22 budget excludes the full Foreign, Commonwealth & Development Office (FCDO) contingency funding whereas in the 2020/21 this funding of £1.5 million was included. This means that comparing on a like-for-like basis the budget has only decreased by £0.114 million. Despite specific funding for COVID-19 not being available this financial year as it was in the previous financial year, a similar level of public expenditure has been maintained. This is primarily due to the cost of maintaining access to the Island through the charter flight arrangements until the end of the financial year. The revenue associated with the charter flights therefore allows this level of expenditure to continue year on year.

Key budget provisions this year includes £0.205 million for social benefits in anticipation of implementing the recommendation of the Social Security Working Group to change the definition of "household" from October 2021. The budget also includes an additional provision of £0.07 million to implement institutional arrangements under a ministerial form of government.

Despite the uncertainty brought on by the pandemic, the continued allocation of budgets to the key priority areas year on year demonstrates the commitment of the Government to invest in and develop front line services for the people of St Helena. There continues to be a number of significant budget pressures in 2021/22 financial year and beyond which need to be carefully monitored and managed.

This year's financial aid package is for a one year programme. Despite best efforts, a three year settlement for financial aid could not be agreed but this remains a key priority for the Government to have in place to provide greater clarity and greater certainty to directorates on funding envelopes to develop longer term financial plans. This financial year, 2021/22 represents the third year of the three-year financial aid programme with the UK Government, and presents an opportunity for St Helena to work towards a longer commitment on funding. As such, indicative budgets for the outer years, 2022/23 and 2023/24, are included in this Budget Book however, the uncertainty around local revenues due to the pandemic and the implications of future governance reform remains.

Basis of the Budget

The Budget for 2021/22 is cash-based but has been modified to take account of certain principles of accruals accounting, where operating expenditure and capital investment have been clearly separated. This has been the case for the last nine years following the move from cash accounting to accruals accounting.

The MTEF process fully integrates Strategic Planning and Budgeting. This year, the planning and budgeting process built on the work previously done to ensure resources are allocated to the highest priorities.

During the strategic planning and budgeting work that commenced in June 2020, directorates were asked to take into account the agreed central core initiatives which include:

- Improving efficiency and productivity with regard to the divestment opportunities, Systems/Process Reviews and better use of SHG resources;
- Streamlining and restructuring the Public Sector;
- Improving joined up approach to business delivery between different sectors;
- Increasing revenue where it is deemed appropriate.

The budgets for individual directorates are shown on an 'Outputs' rather than an 'Inputs' basis. That is, the costs of the various types of services provided by each Directorate are shown rather than line by line resources that are input to the system. This strengthens the accountability of Directors and Accounting Officers for the public funds with which they are entrusted, and the outcomes they have agreed to deliver with the funding allocated. This is the tenth year of the 'Outputs' basis of presentation of the budget and we are able to show comparative figures for last year's budget against this year's.

During the 2020/21 financial year, St Helena Government initiated the Fit for the Future programme with the aim to create a Public Service on St Helena that is equipped to deal with present and future challenges, provides a solid foundation for a fair economy and society, and is able to make the most of potential opportunities. As a first step towards this, on 1 April 2021, functions were rearranged from Directorates into larger 'Portfolios' to ensure we have a more streamlined structure, with services and functions that have a shared or similar purpose grouped together under one senior manager. This has meant moving some functions and reducing from eight Directorates to five Portfolios plus a Central Support Service as shown below. The budget book includes detail of the Portfolio budgets.

Previous Structure	New Structure
Corporate Support, Policy & Planning Human Resources	Central Support Service
Police	Safety, Security and Home Affairs Portfolio
Corporate Finance Economic Development Infrastructure & Transport Access	Treasury, Infrastructure and Sustainable Development Portfolio
Education	Education, Skills and Employment Portfolio
Environment Natural Resources & Planning	Environment, Natural Resources and Planning Portfolio
Health Children & Adults Social Care	Health & Social Care Portfolio

The Fit for the Future programme is still ongoing and changes are due to be implemented during this financial year as a result of the Administration Review. Budgets have been compiled taking into consideration these proposed changes and reallocation of funding will be considered during the course of the financial year when decisions on the implementation of these changes are approved.

Strategic Planning

The St Helena Island 10 Year Plan 2017-2027 was approved and adopted by Executive Council in March 2017 and articulates the longer term vision for St Helena. Directorate Strategic Plans and budgets have been prepared in line with the 10 Year Plan.

By working with the community to develop the 10 Year Plan we are able to capture what is important to St Helenians under five main headings and National Goals:

- **Altogether Safer**
- **Altogether Healthier**
- **Altogether Better for Children and Young People**
- **Altogether Greener**
- **Altogether Wealthier**

This 10 Year Plan sets out clearly what we would like to achieve and how we are going to do it. The overall objective of this plan is:

“To continue to make St Helena a wonderful place to live, work, raise children, visit and to do business.”

In September 2018 Executive Council agreed that two further goals should be included that underpins the other five goals, they are:

- **Effective, Efficient and Accountable Public Sector**
- **Effective Infrastructure**

Through the Medium-Term Expenditure Framework (MTEF) we ensure that Government's resources are directed towards achieving the National Goals for St Helena as outlined in the 10 Year Plan. In particular, through careful prioritisation of the budget by Elected Members, we ensure that as much of our financial resources as possible directly support our national goals.

The St Helena Island 10 Year Plan can be found at <http://www.sainthelena.gov.sh>.

Sustainable Economic Development Plan

St Helena's Sustainable Economic Development Plan 2018-2028 (SEDP) was endorsed in May 2018.

The SEDP considers St Helena's comparative advantages on a global scale and recommends support for 15 particular export and import substitution sectors which can improve St Helena's Balance of Payments.

The goals of the SEDP are:

- 1. Increase Exports**
- 2. Substitute Imports**
- 3. Attract Visitors and Increase Tourism**
- 4. Mitigate impacts of inflation on the lowest income groups**
- 5. Improve Land Productivity**
- 6. Sustain and improve our Natural Capital**
- 7. Improve Infrastructure**
- 8. Develop, Maintain and Attract a Skilled Workforce**
- 9. Develop the Digital Economy**
- 10. Reduce Leakage of Income**

There is an associated internal implementation plan and a six monthly progress report is published by the St Helena Government. Furthermore, all decisions made by Executive Council must consider the impact on the SEDP goals. The SEDP and the update report is available at <http://www.sainthelena.gov.sh/publications/>

St Helena Economy

Introduction

The ongoing global COVID-19 pandemic has already impacted the Island's economy and will continue to do so into the foreseeable future. Since April 2020, the only flights to and from the Island have been private or government-sponsored charter flights, meaning St Helena has been less accessible in 2020 than it was in the days of the RMS. During FY 2020/21, there were approximately 890 arrivals to the Island, compared to 4,800 in the same period for FY 2019/20. By comparison, for last three years of the RMS, total annual arrivals ranged from 2,100 – 3,500.

Between April 2020 and March 2021, there were only 250 arrivals for tourism or leisure purposes compared to 2,400 during the same period in FY 2019/20. The vast majority of these (94%) were St Helenians returning to visit friends and relatives, a significant increase from FY 2019/20 when returning St Helenians made up only half (49%) of tourism/leisure arrivals. The limitations on air travel globally and difficulties associated with the situation in South Africa specifically mean there is unlikely to be commercial air service to St Helena prior to the end of

calendar year 2021. Normal volumes of international air travel are not expected to return until 2024 meaning that, even once regular flights resume, commercial flights would be likely to be on a monthly or bi-weekly basis for the foreseeable future.

Approximately £5m-6m is expended per annum from tourists (SHG Statistics Office). While the reduction in arrivals has had and will continue to have a detrimental impact on the economy, the impact on SHG revenues is less clear cut for a number of reasons. Section 2 focuses on COVID-related impacts and how these have and will continue to impact revenue to SHG.

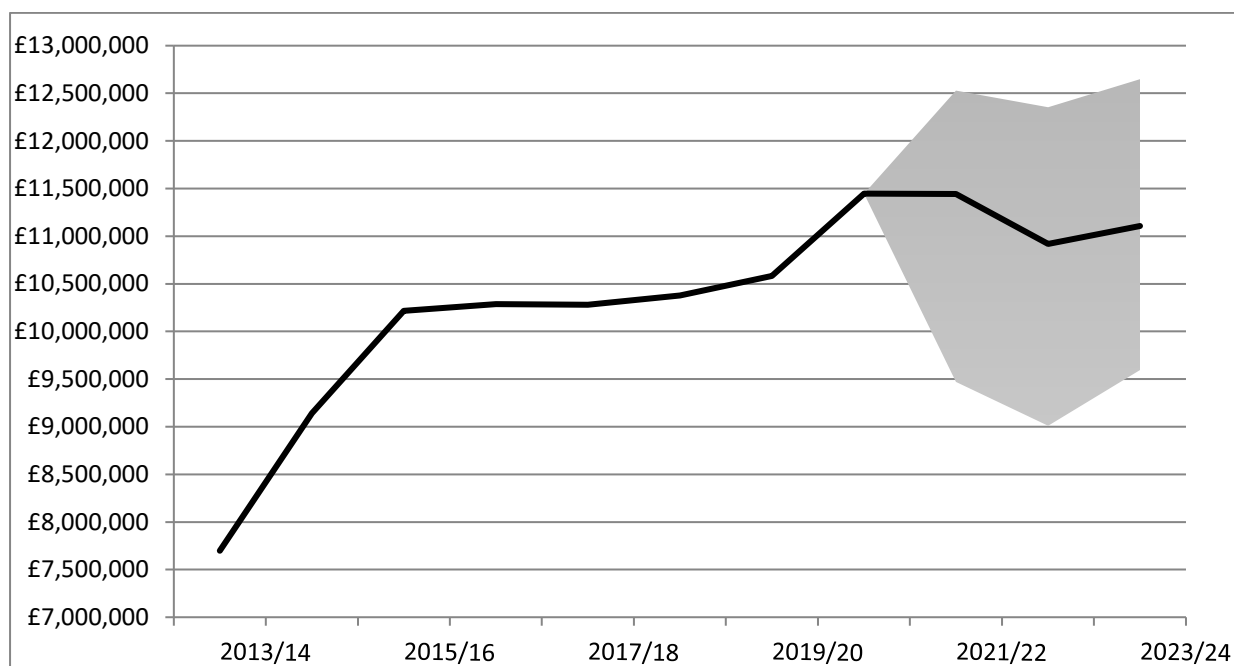
In addition to COVID-19, there are other factors that will impact SHG revenues both positively and negatively in the coming financial years. Beginning in October 2021, most allowances paid to internationally-recruited workers (including Technical Cooperation Officers) will be subject to income tax. This will result in an increase in PAYE collected, though the exact amount will be dependent on the number and type of contracts in place at any given time.

Health promotion efforts related to tobacco, alcohol and sugar may help reduce consumption of these products which would, in turn, reduce revenues collected. Similarly, efforts to increase local food production will be critical for ensuring food security but will also lead to reductions in customs duty collections. However, the reduction in air access also means fewer goods are imported duty free which has likely offset this impact in the near term.

Reductions in the cost of broadband packages expected following landing of the fibre optic cable will lead to lower revenue from service tax. This has been incorporated in forecasts from January 2023 when a new telecoms contract is in place. The signing of the contract with PASH Global to implement the Energy Strategy goal of achieving 100% of energy production through renewable sources may help to reduce electricity prices on the Island which will reduce costs and increase profit for businesses who invest in renewable energy. However, importation of diesel is likely to reduce, affecting revenues from import duty. This is likely to have an effect on tax revenues, but until the details of the associated savings and effect on bills is known, it would not be prudent to build this into the forecast.

As a result of these uncertainties a low, medium and high revenue forecast has been developed and illustrated in a Fan Chart. More detail on the low, medium and high forecasts is included in Section 8.

Figure 1: High, Medium and Low Revenue Estimates



COVID-19

Approximately £5m-6m is expended per annum by tourists (SHG Statistics Office). The reduction in arrivals to St Helena as a result of COVID-related travel restrictions has definitively had – and will continue to have – a negative impact on the Island's economy by reducing spending on-Island. However, the impact on SHG customs duty and tax revenues is less clear cut. While forecasts for FY 2020/21 assumed across-the-board losses in customs duty and income taxes, actual collections increased in a number of areas. The potential reasons for this are described below.

Import Duties

It is estimated (as per JNCC study, 2018) that approximately 50% of tourist spending funds purchases of products made off-Island such as on products like toilet roll, linen and food, and capital items such as beds and kitchen supplies. Purchasing these items provides revenue to SHG in the form of import duties (usually at 20% of value). It was originally estimated that £500,000 less than expected ad valorem tax would be collected in 2020/21 as a result of COVID-19. However, actual collections were £450,000 higher than what was budgeted, a £750,000 increase compared to FY 2019/20. There are a few reasons why this might be true.

The total population on-Island has remained relatively stable over the course of FY 2020/21. With the exception of peak season (December/January), the total population was slightly higher in each month than in the corresponding period in FY 2019/20. While there are fewer visitors temporarily on-Island at any given time, there are also fewer residents temporarily off-Island. This has a negative impact on parts of the economy – local residents have less disposable income than those visiting from abroad and spend less in tourism-related sectors – but means that SHG still receives revenue related to the import of products that are essential and linked to the number of people on Island regardless of the purpose of their time here (e.g., food, cleaning supplies, toiletries). While there may have been stockpiling by retailers anticipating shortages, this would have been more likely in the early months of the pandemic when there was significant uncertainty about the global availability of goods and is not likely to be reflected across the entire year.

In addition to goods imported for sale on-Island, individuals who have not been able to depart St Helena as planned have imported products that they otherwise would have purchased abroad and imported duty free as part of their personal allowance (e.g., clothes, cosmetics, contact lenses). Similarly, the reduced number of flights has reduced the volume of alcohol, tobacco and confectionary that enters duty free. In addition, orders placed as early as January or late as mid-March 2020 would have been shipped prior to significant COVID-related restrictions but not arrived or incurred duty until the 2020/21 Financial Year.

An impact that occurred concurrently but was not caused by COVID-19 relates to the timing of collection of duty on vehicles imported by Technical Cooperation (TC) Officers employed by SHG. Previously, TC Officers did not pay vehicle duty on import but instead paid when the vehicle was sold. Beginning in April 2020, all importers were required to pay vehicle duty at the time of import. This change likely led to an increase in duty collected because the vehicles for newly recruited TC Officers were being taxed on arrival at the same time that vehicles imported under the previous scheme were being taxed on sale. This impact will decline over time as the number of vehicles on-Island subject to the previous taxation scheme declines.

Based on observed outcomes in FY 2020/21, projections are based on the assumption that a similar level of customs duty will be collected as long as access to St Helena remains significantly restricted: the primary estimate assumes regular commercial air service will resume in January 2022; the low revenue estimate assumes October 2021; the high revenue estimate assumes April 2022. Following resumption of regular commercial air service, it is assumed that customs duty collection will return to FY 2019/20 levels (including inflation) and continue on the previously projected trajectory.

Income Taxes

It is estimated (as per JNCC study, 2018) approximately 50% of tourist spend stays on Island for example on wages or goods and services purchased locally. Therefore was originally estimated that *PAYE* revenues would be reduced by £80,000 in FY 2020/21. However, actual collections were approximately £350,000 higher than originally budgeted.

Most of the largest employers on-Island are in sectors that are not directly related to tourism or hospitality. For example, employment with SHG, Connect, Sure, construction companies and many of the large retailers would most likely not have been directly affected by the reduction in arrivals to the Island. As discussed later, investment in capital projects potentially increased employment in related sectors. It is also likely that a number of workers employed in the tourism and hospitality sector were not earning high enough wages to pay tax prior to COVID-19 so any reduction in employment would not directly impact SHG revenues.

For tourism-related businesses, the business support package offered beginning in mid-March 2020 protected employees in two ways. First, it enabled all businesses to provide paid sick leave for individuals unexpectedly required to self-isolate in the early days of the COVID-19 crisis. Second, many tourism or hospitality businesses do generate some amount of revenue from local customers (e.g., restaurants, tour operators). While this alone might not be enough to keep the business operational, the hardship support payment helped to bridge the gap and allowed businesses to keep staff on the payroll.

In addition, there is a perceived tendency among local businesses to opt to keep staff on the payroll in lieu of operating at a profit. While this goes against what economic theory would suggest, it is a logical outcome when considering St Helena's size and the fact that redundancies which are perceived as unfair or unnecessary can have a longer term negative impacts to a business that provides non-essential services. Anecdotally, there are typically a

relatively large number of vacancies which means a number of employees who were made redundant or moved to casual contracts/reduced hours were able to easily find work in other jobs. At least two new food service businesses opened in FY 2020/21, absorbing employees who had been made redundant.

Data on unemployment benefit claims are only available through October 2020 so it is difficult to draw specific conclusions about how employment has been impacted in the second half of FY 2020/21. Unemployment benefit claims for the first six months of FY 2020/21 were 20-58% higher than in the corresponding month in FY 2019/20 – a period for which unemployment was 2-3 times higher than historic levels. Claims has decreased slightly by October 2020 and were 4% lower than in October 2019 though it is unclear whether this is because individuals found employment or stopped looking for work. Beginning in October 2020, hardship support was available to businesses in the tourism sector and the programme was discontinued entirely at the end of March 2021. Because local residents already tend to have less disposable income than visitors and naturally frequent hospitality businesses less often, it is likely that there will be impacts to PAYE associated with businesses in this sector for the remainder of FY 2020/21 and into FY 2021/22. There will also be an impact felt in other sectors to the extent that redundancies associated with the closure of Enterprise St Helena (ESH) and SHG's Fit for the Future Programme lead to increased unemployment.

While this may only have marginal impact on SHG revenues, any continued growth in unemployment or uncertainty associated with employment will reduce disposable incomes and therefore local spending. This will further exacerbate the impacts of reduced visitor numbers.

In the absence of a business support scheme, we are assuming that COVID-19 related impacts will reduce PAYE for the duration of restricted access to St Helena. Based on this, the primary estimate reflects a reduction of PAYE of £60,000 (access improves January 2022). The low revenue estimate assumes a reduction of £80,000 (access improves April 2022) and the high revenue estimate assumes a reduction of £40,000 (access improves October 2021). As above, this reduction is more than off-set by increased PAYE collected as a result of taxes paid on allowances for internationally-recruited workers.

Self-employed and corporation tax are paid with a one year lag. That is, tax is paid in a financial year for profits in the previous financial year. For this reason, there is a great degree of uncertainty associated with the impacts from COVID-19, which won't be seen until the end of FY 2021/22. As above, a number of the largest businesses on St Helena are in sectors that are not directly impacted by COVID-19. Further, some businesses benefitted from contracts associated with the refurbishment and operations of Bradley's Camp during FY 2020/21. In addition, because these taxes are paid on profits rather than revenues, businesses with significant operating costs may have been paying relatively little in taxes before COVID-19.

In the absence of other evidence, we continue to assume that self-employed and corporation tax will be reduced by £60,000 collectively for taxes paid in FY 2021/22 and the reduced £45,000 collectively for taxes paid in FY 2022/23, reflecting limited access through December 2021. The low revenue estimate assumes impacts of £60,000 collectively in both FY 2021/22 and FY 2022/23 and the high revenue estimate assumes impacts of £60,000 in FY 2021/22 but only £22,500 in FY 2022/23.

Other Taxes and Fees

Service tax collections were approximately £160,000 lower than budgeted for FY 2020/21. No additional COVID-related impacts have been incorporated as this is assumed to be representative of impacts in FY 2021/22. Future revenues will grow based on inflation from this new, lower, base until expected reductions occur as a result of reduced prices for broadband packages during FY 2022/23.

While it is not included in these projections, SHG will lose revenue associated with landing fees charged to each arrival who is not a returning resident. Assuming this fee (£20) would have been paid by all arrivals for tourism or leisure, the reduction in tourism/leisure arrivals (approximately 10% of FY 2019/20 levels) cost SHG approximately £43,000 in FY 2020/21. Assuming the previous pattern of growth in arrivals continued, this impact would be greater in each passing year.

Inflation

The basic forecasting methodology remains the same as in previous years – using a combination of South Africa and United Kingdom inflation data, using a zero constant. The regression has been updated using the latest RPI data.

We have produced a total of six estimates for inflation – using both index and rate data, also using a shorter (2005 onwards) and longer (1994 onwards) run of data, using a zero constant and a dummy variable. The range of data reflects the fact that the relative impact of United Kingdom and South African inflation on St Helena changed in 2005. The reasons are not entirely clear – neither the change in exchange rates nor shipping patterns completely explain it – but it makes a significant difference to the forecast results.

The six estimates are outlined below. The Traditional Model uses data from 1994 – Q1 2021 without a zero constant in the regression. The Long Term forecast is based on a regression using a zero constant and data from 1994 – Q1 2021. The Short Term forecast is based on a regression using a zero constant and data from 2005- Q1 2021. Historically, the regressions based upon RPI indices using a zero constant (long term constant zero and short term constant zero scenarios) have produced more accurate forecasts.

Table 1: Inflation Forecasts –Six Models

<i>Data used for regression</i>	Index	Index	Index	Rates	Rates	Rates
<i>Model used</i>	Traditional model	Long Term Constant Zero	Short Term Constant Zero	Traditional model	Long Term Constant Zero	Short Term Constant Zero
2021-22	2.46%	3.45%	3.34%	3.10%	2.65%	3.07%
2022-23	3.36%	3.60%	3.52%	3.72%	3.43%	3.69%
2023-24	3.23%	3.54%	3.46%	3.63%	3.31%	3.59%

As most of the goods available in retail outlets on St Helena are imported from either South Africa or the United Kingdom, St Helena's prices are heavily influenced by inflation in those two countries, the value of the St Helena pound compared to the South African Rand (ZAR), the cost of freight, and import taxes. In the United Kingdom, the annual price inflation rate decreased compared to 2019 while in South Africa, annual price inflation decreased after an initial increase. The rate of inflation has decreased globally since the beginning of the COVID-19 pandemic.

Since early 2019, the value of the South African Rand has steadily weakened, from around 17 ZAR per GBP to around 22 ZAR per GBP at the end of March 2020. The Rand has rebounded slightly and trades at a rate of about 20 ZAR per GBP as of 4 May 2021. This has a counter effect to South African inflation, and in some cases may even have made South African goods cheaper to buy.

The 2019 annual rate of inflation was 2.9%, lower than the previously forecasted rate of 4.2% and inflation in 2020 was 0.70%, lower than the previously projected rate of 1.7%. However, longer-term inflation forecasts for the United Kingdom and South Africa have increased slightly since the last forecast was made in November 2020. As such, we have revised the forecast for future year inflation to reflect the continuation of this trend and the relative changes in forecasts in the United Kingdom and South Africa due to lower than expected inflation in the near term and increased inflation in future years.

Table 2: Primary Inflation Forecast 2020 - 2024

Year	Inflation expectation
2020/21	0.70%
2021/22	3.00%
2022/23	3.60%
2023/24	3.50%

Exchange Rates

The exchange rate was relatively stable during 2019, ranging from a low of 17 ZAR per GBP to a high of nearly 20 ZAR over the course of the year. The pound continued to strengthen compared to the rand in 2020 with an exchange rate of 22 ZAR to the GBP at the end of the 2019/20 financial year. The Pound strengthened relative to the Rand in March, before it stabilised at around 20-21 ZAR to GBP thereafter. The pandemic, political and economic uncertainty the United Kingdom, South Africa and even the United States means there will continue to be greater unpredictability in exchange rate relationships and inflation.

Figure 2: Exchange rates May 2016 – May 2021 (GBP to ZAR)



Ideally exchange rates would be factored into the inflation model, but while the historical impact of exchange rates on St Helena inflation has been analysed, it is impossible to factor into the forecast without a credible exchange rate forecast. A previous economist, Ian Smyth, attempted to factor in exchange rates in previous St Helena inflation forecasts, but he could

not find a significant relationship between exchange rate and inflation; possibly due to the complexity of lags between the exchange rate and the effect this has on St Helena.

Future Developments

The 2019/20 financial year marked the beginning of the Economic Development Investment Programme (EDIP), St Helena's first capital programme in three years. The first year of the EDIP resulted in approval of projects totalling £4.6 million. The most significant portion of this investment to date has been in crucial rock fall protection for the ports and residents living in Jamestown and Rupert's valley. This work is a vital step toward relocating cargo operations from Jamestown to Rupert's and facilitating future development of the Jamestown Waterfront. In the near-term, the project has created positive economic effects associated with rental accommodation, car hire, food and beverage purchases and employment of local workers alongside the team completing the project. Based on a survey of personal expenditures by the contractors and data provided on project-level expenses, SHG estimates the Rockfall Protection Project added £255,000 - £273,000 to St Helena's economic activity over the course of the six-month project (mid-January to mid-July).

During the 2020/21 financial year, approval was received for works in Rupert's to develop the infrastructure needed to transfer cargo operations from Jamestown into Rupert's. This is the largest component of the programme, which we anticipate will commence in the 2021/22 financial year. Upgrades to the R2 road network (Field Road and Side Path) linking Rupert's to Jamestown was also approved in FY 2020/21 and is expected to be initiated in FY 2021/22. Other projects prioritised for EDIP Programme include:

- Water security
- Support for increased agriculture production
- Enhancements to infrastructure in Jamestown
- Sewerage solutions

In total we anticipate spending around £5.6 million in this financial year which will be a significant fiscal stimulus, particularly within the construction sector. In addition, the Land Development Control Plan is being revised and Development Areas are being identified so housing growth alongside other private sector construction projects such as satellite ground stations and renewable energy will also provide demand. So it is envisaged that the sector will continue to contribute to tax revenues, particularly PAYE and self-employed tax.

2019 and early 2020 saw a flattening of the economic downturn that occurred following construction of the airport, due in part to a strong summer tourist season. Arrivals by air grew by 12% in 2019 compared to the previous year, with arrivals for leisure, including tourists and St Helenians visiting family and friends, increasing by 19%. Arrivals in 2020 were also showing strong growth in January and February before the impact of the global COVID-19 pandemic on international travel in March and April. February was a record breaking month for arrivals; the number of tourist arrivals by air in February 2020 was 247, which is 30% more than February 2019.

The COVID-19 pandemic has provided a stark reminder that economic development cannot rely only on tourism. SHG's Sustainable Economic Development Plan (SEDP) remains the road map for ensuring balanced and sustainable development going forward. SHG is committed to regulatory reform, setting up the policy and legal frameworks for a modern future for St Helena. This includes modernising company and ship registry policies as well as policies for electronic communication and licensing of satellite ground stations.

The Investment Strategy was agreed and new tax incentives for export and import substitution businesses came into force alongside the Approved Investment Scheme in April 2019. The Investment Prospectus was endorsed and launched in October 2019. This outlines opportunities for investment in St Helena as well as strategic assets for sale, and provides information on financial incentives of investing in St Helena.

Taxation

Impact of Policy Changes

Beginning in October 2021, most supplements paid to internationally recruited workers will be subject to income tax. This is the only tax policy change impacting corporation, self-employed, PAYE, service, or withholding taxes for the financial year 2021/22.

The Tax and Revenue Working Group met in June to discuss a multi-year work plan for implementing proposed changes, including changes in tourist-related taxes, changes to how property is taxed, the introduction of an inheritance tax and the introduction of a range of fees and charges. If implemented, these changes will be incorporated into future forecasts.

Key assumptions for the Forecast for 2021/22 and beyond

PAYE (Employment Tax)

- Incomes in sectors related to tourism and hospitality are expected to decline in 2020/21 due to the impacts of COVID-19 related travel restrictions but resume growth by less than the rate of inflation in future years.
- Previous growth has largely been driven by an inward migration of labour, particularly for construction and to a lesser extent for TC posts. It is expected that the growth will plateau.
- The population forecasts, published by the Statistics Office, show that the working age population is likely to decrease. There is an aging population but it is expected that many are likely to continue working beyond the age of 65 because of the demand for workers in St Helena.
- Changes in minimum wage will cause low incomes to rise; the trickle effect is likely to cause wages in the bottom 20th percentile to increase. However, this will have no effect on PAYE, as the bottom 20th percentile of earners will not pass the £7,000 allowance threshold.
- Additional downward pressures include the SHG succession plan to recruit local workers for TC posts. Additional upward pressures include growth and recruitment by private businesses on the Island and the potential return of Saints to the Island to work.
- Wage growth on St Helena has been very slow. SHG real wages have been falling as there have been no inflation linked increases.

Corporation Tax

- Taxes paid by business are assumed to rise at the same rate as inflation, but delayed by one year – reflecting the fact that businesses pay their tax in arrears.
- Corporation tax receipts increased in 2020/21 due to the increase in visitors during the 2019/20 summer season but are expected to decline in 2021/22 due to the impacts of COVID-19 related travel restrictions.

Service Tax

- Downward pressures include slow population growth and significantly reduced number of tourists.

- Upward pressures include increased broadband penetration, insurance premium increases and more vehicles on the Island.
- Service taxes have been increased in line with inflation.
- Service taxes are expected to decrease with the availability of significantly less expensive broadband packages following implementation of the fibre optic cable.

Withholding Tax

- The Bank of England base rate decreased from 0.75% to 0.25% on 11 March 2020. The rate was further reduced to 0.10% on 19 March in response to the economic effects of COVID-19 and remains at this level.
- The Bank of St Helena (BoSH) saving rates are 0.1% on current accounts and 0.6% on savings accounts. The forecast assumes interest rates offered by BoSH stay at current levels over the next 3 years, with balances growing in line with inflation.

Customs Dues

Policy Changes

There were increases to tobacco, alcohol, excise duties and liquor tariffs on 1 April 2021. The tariff charges rose with Q3 2020 inflation (1.0%) for alcohol and inflation plus 1% (2.0%) for tobacco, and continue to rise in that manner in future years. There have not been changes to petrol and diesel duty because of the already high price of energy and fuel on the Island.

Key Assumptions

- Changes associated with COVID-19 are expected to continue for the duration of restricted access to St Helena. Collections are expected to return to pre-COVID levels (with inflation) and then grow on a normal trajectory.
- Ad valorem is assumed to increase by less than inflation to reflect reduced consumption and shifts between imported and local goods.
- Consumption of alcohol, petrol and Island-produced liquor is assumed to stay constant in future years. Downward pressure in demand caused by population stagnation, higher taxes and other environmental/health initiatives are likely to be offset by increasing numbers of tourists in the longer term.
- Duty for tobacco shall increase with inflation + 1% and therefore there is expected to be revenue increases in line with inflation +1% in future years.
- Excise duty and duty charges of alcohol/liquor shall increase with inflation and therefore there is expected to be revenue increases in line with inflation in future years.
- There is not any increase in fuel and diesel duty predicted in the coming years due to the already high price of these economies and the risk of fuel poverty. These are expected to stabilise in the near term before decreasing slightly in the future due to green initiatives such as renewable energy.
- There are many other factors which may affect imports. These include the:
 - Changes in usage of large construction machinery, leading to changes in diesel use
 - Import of more varied food as tastes change
 - Changes in import of food due to changes in the numbers of visitors
 - Price of imports as the shipping service changes
 - Value of imports depending on exchange rates changes

- Change in population leading to different demand levels
- Changes in the level of imports due to changes in the quantity and type of goods produced locally such as vegetables, meat and alcohol.

Clearly, forecasting these changes is complex; it would involve inflating and deflating the numbers in order to take in account estimated rises and falls due to these factors. These factors, have been factored into high and low revenue estimates to provide margins for any sensitivity testing and a mid-range estimate applied for the revenue budget projections.

Summary of the 2021/22 St Helena Government Budget

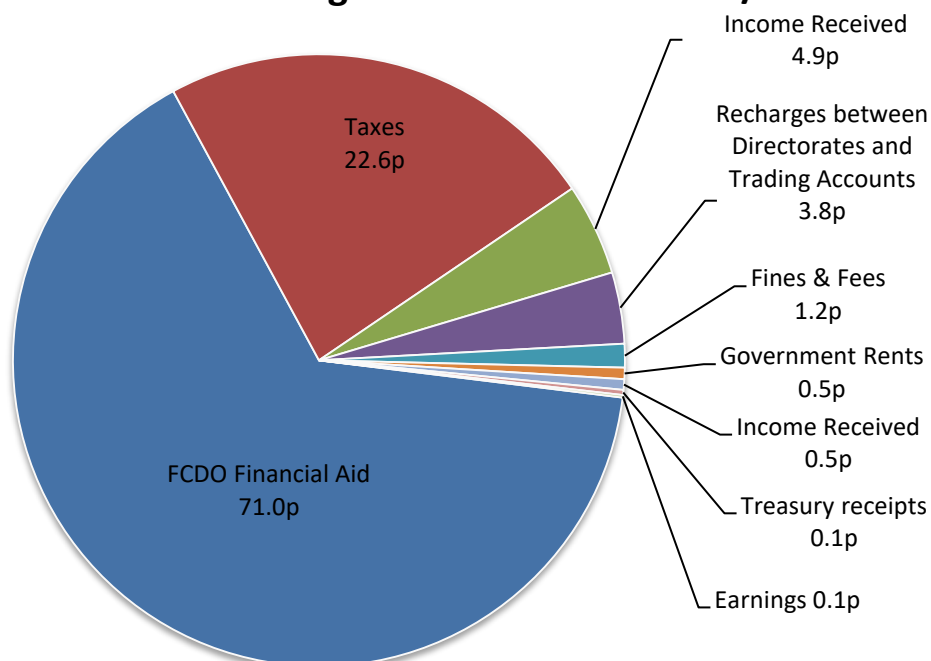
The table below summarises the total estimated expenditure and key sources of revenue for 2021/22 and the comparative 2020/21 estimates.

Budget Components	2021/22 £m	2020/21 £m	Inc /(Dec) £m
FCDO Financial Aid	30.8	34.3	(3.5)
Local Revenue	14.7	12.4	2.3
Recharges between Directorates	1.8	1.6	0.2
Total Revenue	47.3	48.3	(1.0)
Recurrent Expenditure	46.9	48.1	(1.2)
Capital Expenditure	1.6	1.0	0.6
Total Expenditure	48.5	49.1	(0.6)

REVENUE

The chart below shows where each pound of revenue is expected to be generated in 2021/22. The most significant revenue streams are from FCDO financial aid and taxation.

Where each £ of St Helena Government Income for recurrent budget comes from in 2021/22



FCDO Financial Aid

The Financial Aid settlement for this year was agreed with FCDO on 28 April 2021. The financial aid package in terms of core financial aid remains the same as the previous financial year at £26.79 million. Up to £3.0 million is now available for the St Helena Airport operations which is £0.5 million less than in previous financial years which better reflects the recurrent costs for St Helena Airport going forward.

FCDO continues to provide contingency funding on a call down basis at an increased level of £2.0 million. As part of the financial aid discussions it was agreed that this funding should be expanded to include, in addition to litigation and legal costs associated with historical negligence cases, aero medical evacuation costs, overseas medical treatment costs and cost to maintain access to the Island. This funding will be called upon if the budget risks identified during the planning stage materialises. In anticipation of this, £1.0 million of this funding has already been factored into the budget to key budget risk areas: maintaining access to the Island £0.5 million and aero medical evacuation costs £0.5 million. This means that £1.0 million of this Call Down Funding remains unallocated and application will be made to drawn down this funding should the need arise and can only be accessed if the criteria for the funding can be met.

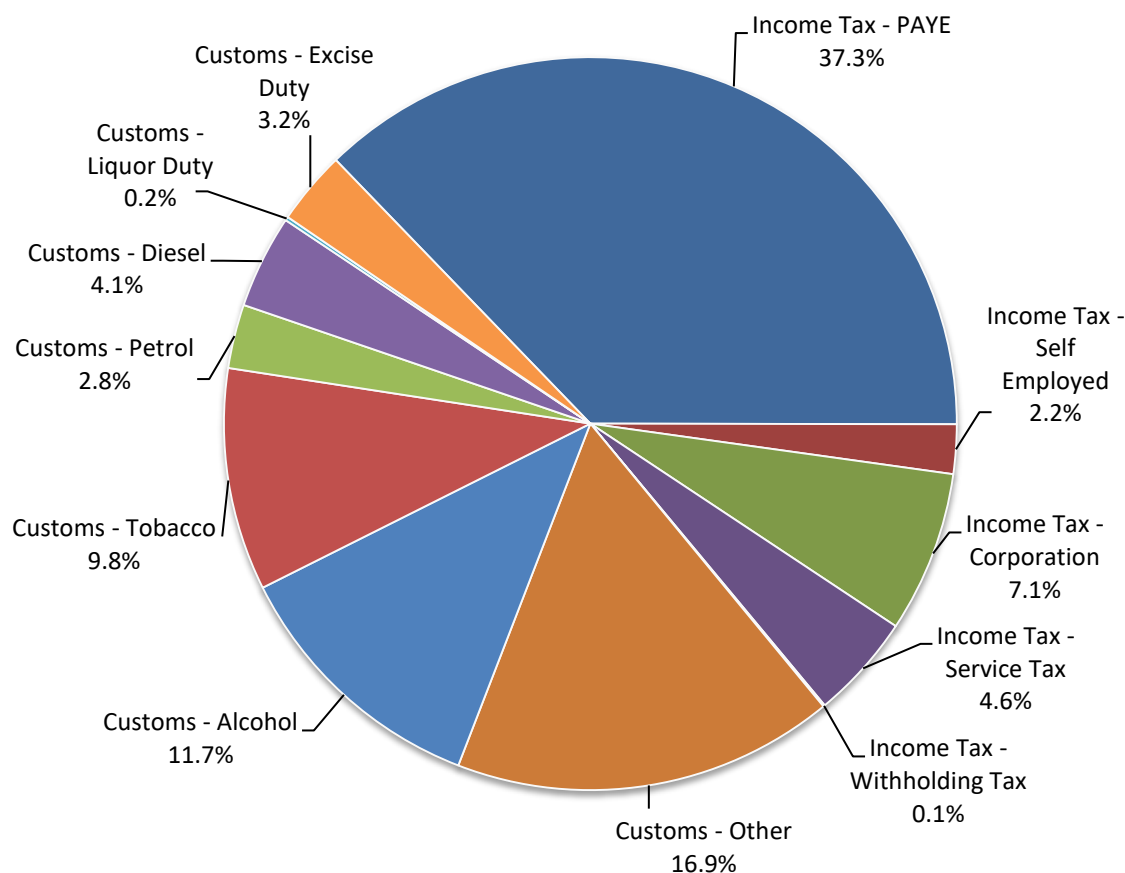
In the previous financial year the UK Government provided £2.5 million to support SHG's response to the pandemic and was used for the refurbishment and construction of Bradley's Quarantine Centre, maintaining access to the Island, the recruitment of technical and specialist medical support, equipment and supplies to ensure that the Island was prepared in the event of a case of COVID-19 coming to the Island. This additional support is no longer available as separate budget support, however the costs of maintaining the Island's preparedness and addressing issues brought on by the pandemic has been factored into directorate budgets.

LOCAL REVENUE

Local revenue forecasts have been reviewed as part of the MTEF process and projections have been based on current forecasts and economic expectations for 2021/22. Local revenues are projected to increase by £2.3 million in comparison with the budget for 2020/21. This is largely attributable to chartered flight revenues.

Tax and Customs Duty revenue are significant components of local revenue. The chart below shows the budgeted sources and proportion of tax and customs duty revenue for 2021/22.

Taxes and Customs Duty Revenue by Source in 2021/22



Taxes

Projections for taxes and duties are based on the updated macro-economic modelling. The updated macro-economic model provides the evidenced based, robust estimate of future tax revenues.

The table below shows the projected income tax for the 2021/22 financial year and the budgets for 2020/21 and 2019/20.

INCOME TAX	2021/22 Budget £000	2020/21 Budget £000	2019/20 Budget £000
Taxes - PAYE	4,121	3,564	3,486
Taxes - Self Employed	241	379	367
Taxes - Corporation Tax	787	818	706
Taxes - Service Tax	513	654	511
Taxes - Withholding Tax	8	21	43
Total Taxes	5,670	5,436	5,113

The basic tax rate for employment income and self-employed will remain at 26% for income over £7,000, and the higher rate tax band for income over £25,000 per annum at 31%, and 8% tax on dividends falling into the higher rate tax band. Corporation Tax will remain unchanged at 25% with some exceptions to support specific identified sectors. PAYE revenue

projections include a tax policy change to incorporate allowances as taxable income, the projections assume implementation from 1 October 2021.

Customs Duties

The table below shows the projected Customs and Excise revenue for the 2021/22 financial year and the budgets for 2020/21 and 2019/20:

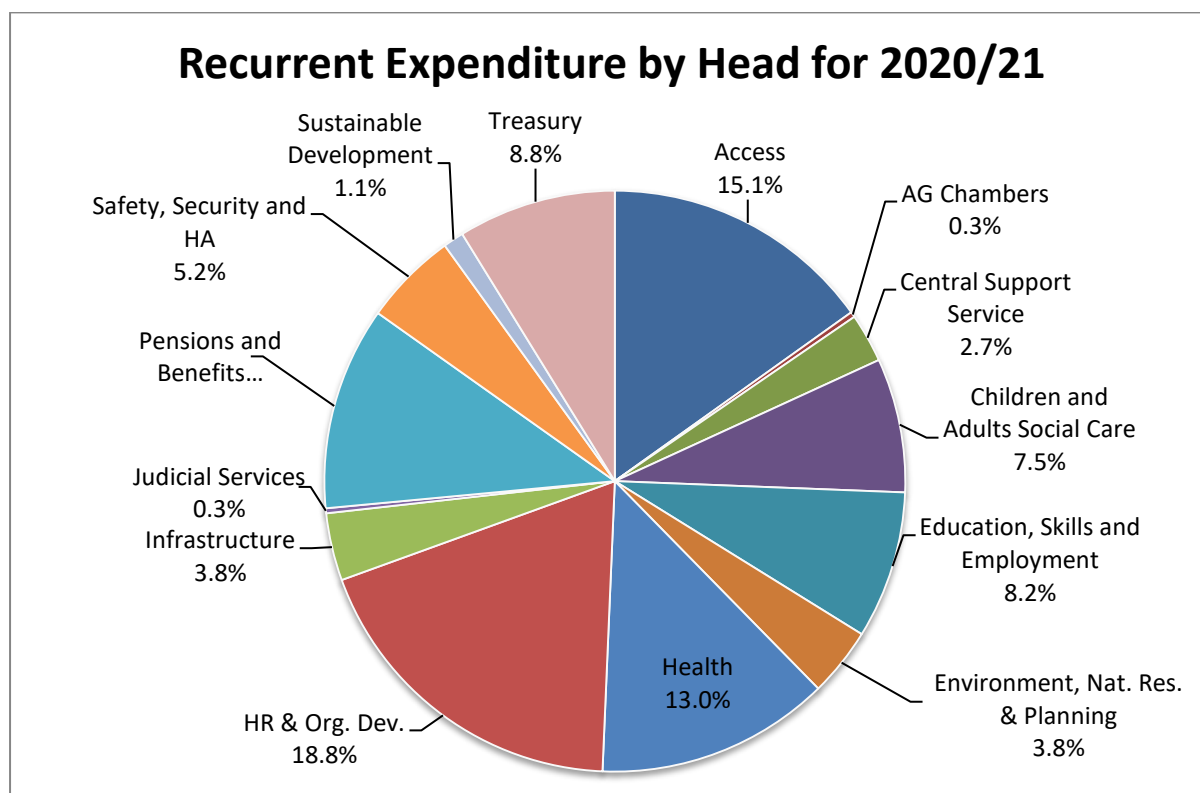
CUSTOMS DUTY	2021/22 Budget £000	2020/21 Budget £000	2019/20 Budget £000
Customs - Other	1,863	2,011	2,332
Specific Duty (Alcohol and Tobacco)	2,385	2,070	2,624
Fuel (Petrol)	312	380	283
Fuel (Diesel)	456	456	159
Liquor Duty	18	17	13
Excise Duty	359	566	542
Total Customs and Excise Duties	5,393	5,500	5,953

Projections for customs duties are based on the updated macro-economic modelling. Refer to section St Helena Economy, Customs Dues policy changes and key assumptions.

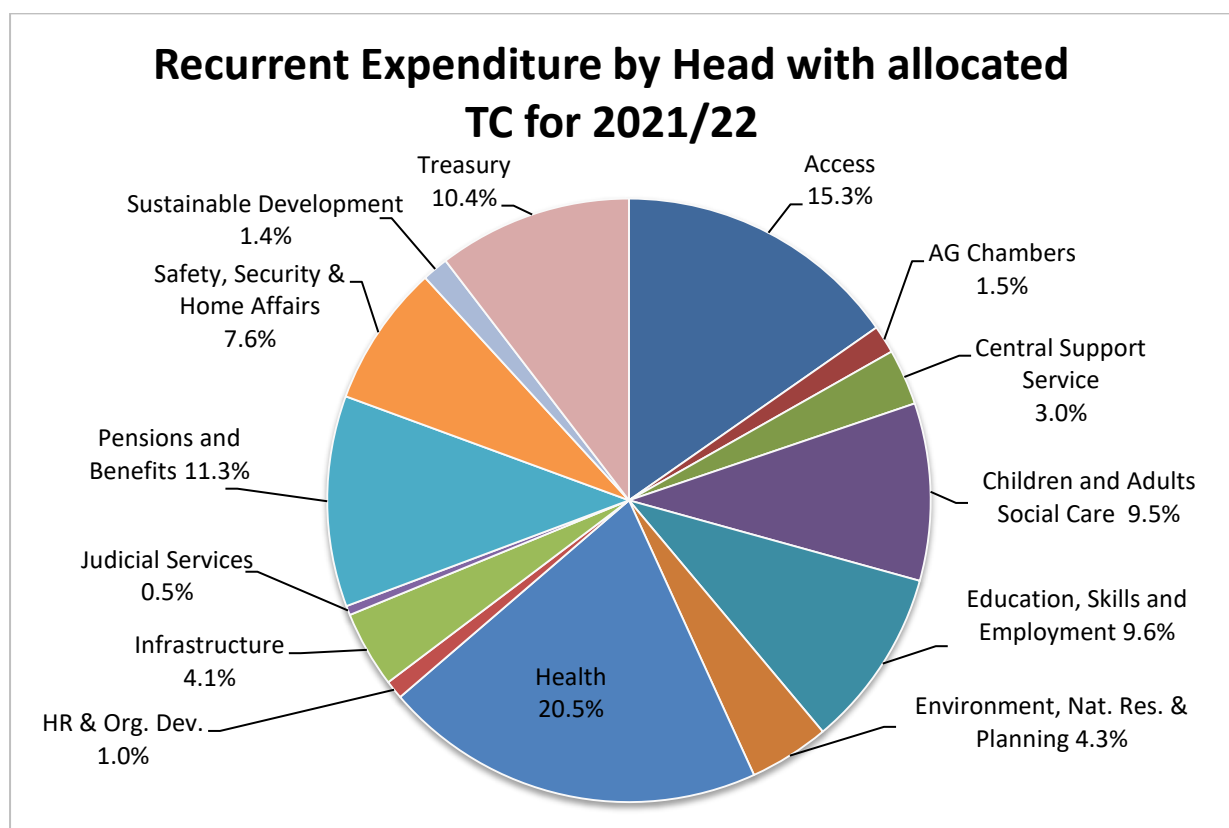
Expenditure

The total expenditure for 2021/22 exceeds budgeted revenue by £1.2 million. This shortfall will be met by withdrawal from the General Reserve of the Consolidated Fund.

The chart below shows the budgeted recurrent expenditure by Head for 2020/21.



Technical Cooperation (TC) expenditure is combined within the overall budget for Human Resources and Organisational Development and is not allocated to the individual budgets of directorates. The TC funding support to some directorates is a significant cost and it is important that the TC support for those service areas are taken into account when considering the level of funding for each directorate. The chart below shows the recurrent expenditure by Head including the allocation of the TC line posts to the Head for the service area to which the TC officer is assigned.



Financing the Budget

The proposed Government expenditure budget of £48.5 million will be funded by budgeted revenue of £47.3 million, which is made up of:

- FCDO Core Financial Aid of up to £26.79 million,
- FCDO immediate Conditional Call Down Funding of up to £1.0 million,
- FCDO Financial Aid for Airport Operations of up to £3.0 million;
- Customs revenue of £5.4 million,
- Tax revenue of £5.7 million, and
- Other local revenue including recharges of £5.4 million.

The budget is also supported by a one off withdrawal of £1.2 million from the General Reserve of the Consolidated Fund. The breakdown of the withdrawal from the General Reserve is as follows:

- £0.5 million which is funding held in the General Reserve having been over claimed in previous years from FCDO for Airport Operations and which is now agreed for capital investment for the St Helena Airport.
- £0.5 million for the investment in fish processing equipment and refurbishment of the fish processing plan in Rupert's that was not invested as planned in the previous financial year.

- £0.15 million commitment for investment in essential equipment for the Community Care Complex; and
- £0.06 million requirement for installation of the oxygen plant at Bradley's Hospital as part of the preparedness for the COVID-19.

Overall through reprioritising of expenditure areas and making budget cuts in others, SHG has been able to present a balanced budget for consideration. There continues to be a number of significant budget pressures in the 2021/22 financial year and beyond which need to be carefully monitored and managed. The budget will be monitored on a monthly basis both locally at directorate level and corporately by the Treasury.

Dax Richards
Financial Secretary



GOVERNMENT OF ST HELENA
SUMMARY OF BUDGETED EXPENDITURE AND REVENUE

	Original Estimate 2020/21 £'000	Revised Estimate 2020/21 £'000	Original Estimate 2021/22 £'000	Forecast Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000
EXPENDITURE					
Recurrent Expenditure					
Central Support Service					
Central Support Service	1,213	1,213	1,277	1,356	1,358
Human Resources and Organisational Development	8,739	8,659	8,811	8,234	7,805
Attorney General's Chambers	116	116	115	115	115
Judicial Services	128	128	130	131	131
Treasury, Infrastructure and Sustainable Development					
Treasury	10,020	9,968	4,127	4,639	4,666
Infrastructure	1,582	1,593	1,762	1,769	1,768
Sustainable Development	5,404	5,304	7,631	5,381	5,517
Safety, Security and Home Affairs	2,352	2,396	2,451	2,429	2,432
Environment, Natural Resources and Planning	1,675	1,667	1,793	1,815	1,827
Education, Skills and Employment	3,375	3,375	3,849	4,005	4,018
Health and Social Care					
Health	5,578	5,745	6,104	5,847	5,845
Children & Adults Social Care	3,048	3,343	3,499	3,465	3,469
	43,230	43,507	41,549	39,186	38,951
Pensions & Benefits	4,824	4,824	5,302	5,497	5,573
Total Recurrent Expenditure	48,054	48,331	46,851	44,683	44,524
Capital Expenditure					
Treasury	932	918	405	0	0
Infrastructure	60	180	91	50	51
Sustainable Development	0	230	479	0	0
Safety, Security & Home Affairs	0	14	39	0	0
Environment, Natural Resources & Planning	0	8	0	0	0
Education & Employment	30	30	0	0	0
Health	0	156	472	0	0
Children & Adults Social Care	0	0	125	0	0
Total Capital Expenditure	1,022	1,536	1,611	50	51
TOTAL EXPENDITURE	49,076	49,867	48,462	44,733	44,575
REVENUE					
Taxes	10,936	10,936	11,063	10,689	10,868
Duty & Licences	266	266	284	284	284
Fines & Fees	621	621	590	618	618
Government Rents	245	245	266	269	269
Earnings Government Departments	75	75	62	62	62
Income Received	218	218	2,310	175	175
Treasury Receipts	75	125	127	96	97
FCDO Financial Aid	28,290	28,290	27,790	27,290	27,290
FCDO Airport Operations Funding	3,500	3,500	3,000	3,000	3,000
FCDO Covid-19 Funding	2,500	2,500	0	0	0
Recharges	1,600	1,661	1,781	1,637	1,638
TOTAL REVENUE	48,326	48,437	47,273	44,120	44,301
CONTRIBUTION FROM THE CONSOLIDATED FUND	750	1,430	1,189	0	0
TOTAL FUNDING	49,076	49,867	48,462	44,120	44,301

SUMMARY OF TOTAL REVENUE



GOVERNMENT OF ST HELENA

TOTAL REVENUE

Sub-Head No.		Previous Year Original Estimate 2020/21 £'000	Current Year Estimate 2021/22 £'000	Forecast Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000
	TAXES	10,936	11,063	10,689	10,868
012-00200	Taxes - PAYE	3,564	4,121	4,398	4,437
012-00201	Taxes - Self Employed	379	241	226	234
012-00202	Taxes - Corporation Tax	818	787	819	872
012-00203	Taxes - Service Tax	654	513	520	503
012-00204	Taxes - Withholding Tax	21	8	8	8
012-00205	Customs - Other	2,011	1,863	1,767	1,784
012-00206	Customs - Alcohol	1,085	1,299	910	943
012-00207	Customs - Tobacco	985	1,086	938	971
012-00208	Customs - Petrol	380	312	312	312
012-00209	Customs - Diesel	456	456	456	456
012-00210	Liquor Duty	17	18	9	10
012-00220	Excise Duty	566	359	326	338
	DUTY & LICENCES	266	284	284	284
013-00301	Stamp Duty	47	47	47	47
013-00302	Dog Licence	5	5	5	5
013-00303	Firearm Licence	7	7	7	7
013-00304	Liquor Licence	12	12	12	12
013-00305	Road Traffic Licence	188	190	190	190
013-00307	Gaming Machine Licence	4	3	3	3
013-00310	Other Licences & Duty Received	3	20	20	20
	FINES & FEES	621	590	618	618
014-00403	Court Fees & Fines	10	10	10	10
014-00404	Light Dues	10	0	0	0
014-00405	Crannage	2	1	0	0
014-00407	Dental Fees	26	30	30	30
014-00408	Fees of Office	20	0	0	0
014-00409	Medical & Hospital	194	193	194	194
014-00413	Trade Marks	10	10	10	10
014-00414	Post Office Charges	5	5	5	5
014-00415	Meat Inspection Fees	6	6	6	6
014-00416	Vet Services	25	25	25	25
014-00417	Birth, Marriage & Death Fees	4	4	4	4
014-00418	Land Registration Fees	11	12	12	12
014-00419	Spraying Fees	2	2	2	2
014-00420	Immigration Fees	45	37	65	65
014-00428	Fish/Food Testing Fees	19	21	21	21
014-00430	Planning Fees	17	18	18	18
014-00431	GIS Fees	14	14	14	14
014-00432	Company Registration Fees	3	3	3	3
014-00450	Other Fees Received	198	199	199	199



GOVERNMENT OF ST HELENA

TOTAL REVENUE

Sub-Head No.		Previous Year Original Estimate 2020/21 £'000	Current Year Estimate 2021/22 £'000	Forecast Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000
	GOVT RENTS	245	266	269	269
015-00503	Gardens	7	8	8	8
015-00504	Leased House Plots	10	26	26	26
015-00505	Boarding and Lodging	142	94	94	94
015-00506	Commercial Property Rents	51	108	111	111
015-00507	Miscellaneous Receipts	28	23	23	23
015-00508	Agricultural Buildings	7	7	7	7
	EARNINGS GOVERNMENT DEPTS	75	62	62	62
016-00601	Stamp Sales(Postal)	33	30	30	30
016-00602	Stamp Sales (Philatelic)	20	20	20	20
016-00603	Sale of Firewood	12	11	11	11
016-00604	Sale of Timber Logs	1	1	1	1
016-06610	Other Earnings Received	9	0	0	0
	INCOME RECEIVED	218	2,310	175	175
011-00110	Miscellaneous Receipts	78	16	11	11
017-00750	Other Income Received	140	364	164	164
017-00754	Chartered Flight Income	0	1,930	0	0
	TREASURY RECEIPTS	75	127	96	97
018-00800	Commission	2	3	2	3
018-00801	Interest	30	54	54	54
018-00806	Dividends	15	45	15	15
018-00808	Argos	28	25	25	25
	TOTAL LOCAL REVENUE	12,436	14,702	12,193	12,373
	FINANCIAL AID	34,290	30,790	30,290	30,290
018-00810	FCDO Financial Aid	28,290	27,790	27,290	27,290
018-00815	FCDO Airport Operations Funding	3,500	3,000	3,000	3,000
018-00817	FCDO Covid-19 Funding	2,500	0	0	0
	RECHARGES	1,600	1,781	1,637	1,638
019-00905	Customs	339	380	240	240
019-00906	Other	1,261	1,397	1,393	1,394
019-00907	Postal	0	4	4	4
	TOTAL REVENUE	48,326	47,273	44,120	44,301

SUMMARY OF TOTAL RECURRENT EXPENDITURE



GOVERNMENT OF ST HELENA

TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2020/21 £'000	Current Year Estimate 2021/22 £'000	Forecast Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000
	EMPLOYEE COSTS	19,253	19,161	18,907	18,565
021-01103	Salaries	13,331	13,270	13,277	13,059
021-01105	Allowances	2,555	2,445	2,174	2,038
021-01107	Staff Mileage Allowance	12	8	8	8
021-01201	Defined Benefit Pensions	1,320	1,806	1,789	1,802
021-01202	Pension Contribution	1,068	804	781	788
021-01205	Training Expenses	324	316	317	311
021-01206	Examination Fees	2	0	0	0
021-01302	Wages - Part Time Staff	276	267	256	256
021-01304	Overtime	81	108	99	97
021-01400	Other Employee Costs	284	137	206	206
	PROPERTY COSTS	697	671	669	676
022-02101	Building Maintenance	57	38	28	30
022-02102	Grounds Maintenance	10	11	10	10
022-02107	Roads Maintenance	2	1	1	1
022-02203	Electricity	502	487	497	501
022-02302	Rent of Premises	5	11	11	11
022-02401	Water	79	78	77	78
022-02403	Maintenance of Sewer Lines	16	13	14	14
022-02501	Maintenance of Street Lights	3	8	8	8
022-02601	Cleaning Materials	23	24	23	23
	TRANSPORT & PLANT COSTS	45	58	23	23
023-03501	Vehicle Hire Charges - Outside SHG	45	58	23	23
	SUPPLIES & SERVICES	4,897	5,014	4,711	4,716
024-04101	Furniture & Equipment	260	252	206	212
024-04102	Tools	40	28	32	26
024-04103	Materials	518	541	537	546
024-04104	Fert/Pesticides/Fungicides	11	9	10	10
024-04105	Chemicals	5	4	4	4
024-04107	Lubricating Oils	4	3	3	3
024-04108	Plant & Equipment Maintenance	52	44	32	34
024-04109	Medical Supplies	981	677	721	722
024-04110	Vet Drugs/Stores	22	41	43	44
024-04111	Animal Feed	1	2	2	2
024-04114	Repairs & Maintenance	5	45	17	21
024-04115	Fuel	48	56	57	57
024-04116	Computer Equipment	14	21	9	8
024-04120	Publicity & Promotional Activities	17	21	21	21
024-04123	Prisoner Rehabilitation	8	15	15	15



GOVERNMENT OF ST HELENA

TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2020/21 £'000	Current Year Estimate 2021/22 £'000	Forecast Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000
024-04201	Food Provisions	154	266	251	251
024-04301	Uniforms	39	45	43	39
024-04302	Protective Clothing	56	75	70	63
024-04401	Library Books & Materials	11	9	10	10
024-04402	Stamp Issues	21	18	25	25
024-04403	Computer Consumables	65	84	73	72
024-04405	Training Materials	155	91	91	91
024-04406	Photocopy Consumables	17	13	14	14
024-04407	IT Renewals & Licences	152	185	157	158
024-04503	Overseas Medical Treatment	1,500	1,200	1,500	1,500
024-04504	Medical Evacuation	200	700	200	200
024-04505	Postal Charges	16	14	14	14
024-04508	Scientific & Technical Analysis	118	129	133	133
024-04509	Occupational Therapy	7	7	7	7
024-04710	Education Broadband	401	409	409	409
024-04800	Other Supplies & Services	0	10	5	5
	ADMINISTRATION COSTS	894	895	824	806
025-05101	Printing	25	20	21	20
025-05102	Stationery	42	39	40	39
025-05103	Newspapers & Periodicals	0	1	1	1
025-05105	General Office Expenses	2	2	1	1
025-05201	Postages	5	5	5	5
025-05202	Telephones, Fax & Internet Charges	526	530	531	532
025-05203	International Telecomms	20	17	17	17
025-05205	Other Administration Costs	98	120	61	60
025-05206	Advertising	99	103	85	65
025-05300	Banking Fees	32	21	21	21
025-05301	Investment Management Fees	45	36	40	44
025-05302	Bank Charges - Debit Card	0	1	1	1
	PAYMENT TO OTHER AGENCIES, BODIES OR PERSONS	11,040	9,550	10,058	10,267
026-06101	Examination & Testing Fees	32	45	45	45
026-06104	Student Scholarship Scheme & Allowances	159	222	303	316
026-06105	Apprenticeships	56	158	260	260
026-06106	Miscellaneous Farmers Support	30	23	23	23
026-06119	Enterprise St Helena	897	0	0	0
026-06141	Public Solicitors Office	73	76	76	76
026-06143	Media Services	47	33	33	33
026-06145	Swimming Pool Contract	96	86	87	89
026-06148	Public Transport System	71	73	76	79
026-06158	Subsidy to Connect St Helena	681	353	481	481
026-06159	Equality & Human Rights	60	75	75	75
026-06165	Legal Assistance Fund	30	30	30	30
026-06200	Miscellaneous Grants 1	605	370	320	320
026-06204	Wharf Management Fee	3	3	3	3
026-06212	Consultancy Fees	231	181	173	175
026-06501	Social Benefits	889	1,023	1,183	1,184
026-06502	Unemployment Benefits	35	35	35	35
026-06169	Cleaning Services for the Elderly	19	24	19	19



GOVERNMENT OF ST HELENA

TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2020/21 £'000	Current Year Estimate 2021/22 £'000	Forecast Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000
026-06507	Community Carer Allowances	286	405	405	405
026-06508	Home Care Support Workers	104	137	137	137
026-06503	Community Employment & Allowances	56	59	59	59
026-06504	Better Life Allowances	181	241	241	241
026-06505	Basic Island Pension	2,649	2,848	2,875	2,922
026-06506	Child in Need Allowance	50	38	38	38
026-06117	St Helena Hotel Development	200	200	200	200
026-06700	St Helena Airport Ltd Subsidy Payments	3,500	2,812	2,881	3,022
	OTHER EXPENDITURE	5,378	5,159	3,367	3,342
027-07101	Councillors Expenses	219	288	375	375
027-07102	Election Expenses	1	8	1	1
027-07104	Compensation	70	68	68	68
027-07106	UK Representative	202	194	203	203
027-07111	Contingency	1,500	0	500	500
027-07112	Sub to Professional Bodies	45	51	51	51
027-07114	Legal Fees	60	62	62	62
027-07116	Ferry Service	41	41	36	36
027-07128	Accommodation & Travel	1,367	534	455	430
027-07135	Ad Hoc Committee Expenses	17	22	22	22
027-07136	Commonwealth Parliamentary Assoc.	16	16	16	16
027-07138	Transfer to Reserves	1,753	1,390	1,490	1,490
027-07139	Service Tax	87	90	88	88
027-07143	Charter Flight	0	2,395	0	0
	PAYMENTS TO CONTRACTORS	2,268	2,268	2,287	2,293
028-08101	Agricultural Contracts	76	84	84	84
028-08102	Bus Service	259	300	300	300
028-08103	Other Contracts	1,614	1,553	1,559	1,551
028-08104	Cleaning Contract	319	331	344	358
	RECHARGES	3,582	4,075	3,837	3,836
029-09100	Bank Charges				
029-09101	Investment Management Fees				
029-09900	Transport	1,089	1,068	1,061	1,064
029-09903	IT	903	1,095	1,049	1,049
029-09904	Customs	222	435	250	249
029-09905	Other	1,189	1,236	1,245	1,246
029-09907	Postal	4	1	1	1
029-09908	Audit Fees	175	240	231	227
	TOTAL EXPENDITURE	48,054	46,851	44,683	44,524

Notes

¹ Additional provision for grants and subsidies to Non-Government Organisations is included under Miscellaneous Grants.

SUMMARY OF EXPENDITURE AND REVENUE BY PORTFOLIO

PORTFOLIO SUMMARY

CENTRAL SUPPORT SERVICE

Central Support Service is responsible for providing a wide range of support services to the five SHG Portfolios as well as the Executive and Legislative Councils. These services are pertinent to ongoing Public Service delivery, high level decision making, accountability, compliance and good public relations. Central Support Service also provide services to the public.

Portfolio Priorities

Priority 1 - Drive SHG's Digital Transformation Agenda.

Priority 2 - Ensure effective corporate governance arrangements are in place to achieve St Helena's overarching goals and objectives.

Priority 3 - Encourage and facilitate openness and transparency across SHG.

Priority 4 - Enable and support policy makers, directorates and the public to make better decisions.

Priority 5 - To support the delivery of the Fit for the Future Programme.

Priority 6 - To develop Leadership and Management capability and capacity.

Priority 7 - To deliver the Prospectus for Change people initiatives.

Priority 8 - Ensure the provision of an effective and efficient vehicle hire service.

Summary of Budgeted Expenditure and Revenue

Function	Head	Expenditure 2021/22 £'000	Revenue 2021/22 £'000	Surplus/(Deficit) 2021/22 £'000
Governor's Office	Head 12	152	0	(152)
Management & Administration	Head 12	257	176	(81)
Information Services	Head 12	56	1	(55)
Public & National Affairs	Head 12	229	17	(212)
Supporting Executive & Legislative Councils	Head 12	412	0	(412)
Public Relations	Head 12	96	0	(96)
Corporate Policy & Planning	Head 12	75	0	(75)
Human Resource Services	Head 13	265	0	(265)
Technical Co-operation Posts	Head 13	8,305	0	(8,305)
Overseas Training	Head 13	241	0	(241)
		10,088	194	(9,894)

PORTFOLIO SUMMARY

TREASURY, INFRASTRUCTURE AND SUSTAINABLE DEVELOPMENT

The role of the Treasury, Infrastructure and Sustainable Development Portfolio is to facilitate sustainable economic and social development to ensure everyone on St Helena are “altogether wealthier” by developing industry, promoting sustainable and green growth, increasing the skilled workforce through effective use of our Infrastructure and limited public finances.

Portfolio Priorities

Priority 1 - Secure and protect key revenue streams and maximise revenue generating opportunities

Priority 2 - Stimulate sustainable economic growth and social development

Priority 3 - Develop and maintain the Islands physical infrastructure

Priority 4 - Increase the working age population living and working on St Helena

Priority 5 - Strengthen Public Financial Management and Accountability

Summary of Budgeted Expenditure and Revenue

Function	Head	Expenditure 2021/22 £'000	Revenue 2021/22 £'000	Surplus/(Deficit) 2021/22 £'000
Treasury				
Management of Social Security	Head 17	82	0	(82)
Revenue Services	Head 17	91	11,443	11,352
Accounting Services	Head 17	398	0	(398)
Post & Customer Services Centre	Head 17	176	89	(87)
Corporate Procurement Services	Head 17	44	0	(44)
Fish Processing	Head 17	56	2	(54)
Payments on behalf of the Crown	Head 17	3,685	28,409	24,724
		4,532	39,943	35,411
Infrastructure				
Management & Administration	Head 27	254	254	0
Provision & Maintenance of Roads	Head 27	416	1	(415)
Provision & Maintenance of Street lighting	Head 27	27	0	(27)
Rock Fall Protection	Head 27	73	0	(73)
Building Maintenance (Works)	Head 27	653	65	(588)
Technical Services	Head 27	124	19	(105)
Land Registration & Property Disposal	Head 27	75	193	118
National Geographic Information System	Head 27	92	14	(78)
Project Management	Head 27	139	0	(139)
		1,853	546	(1,307)
Sustainable Development				
Economic Development	Head 19	167	0	(167)
Visitor Information Service	Head 19	100	0	(100)
Marketing	Head 19	271	0	(271)
Civil Aviation	Head 21	3,781	1,930	(1,851)
Airport Operations	Head 21	3,291	3,000	(291)
Shipping	Head 21	500	0	(500)
		8,110	4,930	(3,180)
TOTAL		14,495	45,419	30,924

PORTFOLIO SUMMARY

SAFETY, SECURITY AND HOME AFFAIRS

The Safety, Security and Home Affairs Portfolio is responsible for the Police, Immigration, Prison, Customs, Fire and Rescue, Sea Rescue, Port Control, Maritime Compliance, Emergency Control Centre, Vehicle Inspection of SHG vehicles and the regulation of private inspection garages, driver competency tests, Emergency Planning and Resilience.

Portfolio Priorities

Priority 1 - Keeping St Helena safe by reducing crime and working to better the lives of children, young people and those most vulnerable within our community.

Priority 2 - Working with partners, both internationally and in St. Helena, to secure our borders in order to protect the community and support economic development.

Priority 3 - Improving community trust and confidence in the services provided by the Portfolio.

Priority 4 - Working with partners, volunteers and stakeholders to minimise and manage identified risks and to maintain public safety and our response to incidents.

Priority 5 - Working with the community, partners and stakeholders to help solve the issues most affecting our community to make us 'Altogether Safer'.

Summary of Budgeted Expenditure and Revenue

Function	Head	Expenditure 2021/22 £'000	Revenue 2021/22 £'000	Surplus/(Deficit) 2021/22 £'000
Management & Administration	Head 15	39	39	0
Fire & Rescue	Head 15	388	8	(380)
Police Operations	Head 15	471	202	(269)
HM Prison	Head 15	366	0	(366)
Police Investigations & Public Protection	Head 15	92	0	(92)
Immigration	Head 15	174	37	(137)
Emergency Planning	Head 15	51	0	(51)
Sea Rescue Service	Head 15	183	0	(183)
Contact Centre	Head 15	138	24	(114)
Customs	Head 15	283	0	(283)
Port Management	Head 15	297	1	(296)
Maritime Compliance	Head 15	8	0	(8)
TOTAL		2,490	311	(2,179)

PORTFOLIO SUMMARY

ENVIRONMENT, NATURAL RESOURCES AND PLANNING

The Environment, Natural Resources and Planning Portfolio's mission is to protect and enhance our natural environment by committing to sustainable and accountable growth of our natural capital, through providing professional and resourceful services. The Portfolio has responsibility for programmes in Agriculture, Fisheries, Forestry, Biosecurity, Environmental Protection and Risk Management, Marine and Terrestrial Conservation and a Land Planning and Building Control Service.

Portfolio Priorities

Priority 1 - Protect the natural environment by conserving biodiversity, preventing, minimising or mitigating against any negative activity and or impact, to conserve and enhance the Island's natural capital.

Priority 2 - Manage our natural resources sustainably to increase food production, provide forestry services and products and enable developments in tourism.

Priority 3 - Implement an effective land planning and building control system in support of sustainable development and economic growth.

Priority 4 - Reduce the economic and environmental impact of invasive species.

Priority 5 - Safeguard St Helena through implementation of a robust biosecurity system.

Priority 6 - Increase our capacity to safeguard natural habitats and save critically endangered species.

Summary of Budgeted Expenditure and Revenue

Function	Head	Expenditure 2021/22 £'000	Revenue 2021/22 £'000	Surplus/(Deficit) 2021/22 £'000
Forestry Production and Tree Surgery	Head 26	135	16	(119)
Forest Establishment, Maintenance & Protection	Head 26	128	0	(128)
Fisheries Administration, Protection & Policy Advice	Head 26	96	25	(71)
Biosecurity Services	Head 26	63	0	(63)
Agricultural Support	Head 26	429	37	(392)
Grounds Maintenance	Head 26	65	0	(65)
Planning & Development Control	Head 26	150	18	(132)
Upkeep of Public Facilities & Areas	Head 26	40	0	(40)
Environmental Assessment & Advisory	Head 26	88	0	(88)
Nature Conservation - Terrestrial	Head 26	152	0	(152)
Nature Conservation - Marine	Head 26	77	0	(77)
Waste Management	Head 26	332	10	(322)
Landscape Ecology Mitigation Programme	Head 26	38	0	(38)
TOTAL		1,793	106	(1,687)

PORTFOLIO SUMMARY

EDUCATION, SKILLS AND EMPLOYMENT

The role of the Education, Skills & Employment Portfolio is to ensure that education services are provided to meet the needs of the people of Saint Helena and to support the economic and human capital development of the island. As part of core education provision, four schools provide full-time compulsory schooling for persons 5 to 16 years of age under the Education Ordinance (2008), with the primary schools also offering Early Years provision for children from age three. Prince Andrew School also offers sixth form provision. Schools are supported by the Teacher Training and Inclusion Sectors. In addition, opportunity for tertiary education is provided through the Scholarship Awards Programme.

The Lifelong Learning Sector is responsible for the operations of the St Helena Community College, Career Access St. Helena, the St. Helena Research Institute and the St Helena Public Library Service

Portfolio Priorities

Priority 1 - Improve educational outcomes for all.

Priority 2 - Operate an inclusive system that meets the holistic needs of all children.

Priority 3 -To meet the academic, training and development needs of the people of St. Helena.

Priority 4 - To provide opportunity for all young people to fulfil their career aspirations.

Summary of Budgeted Expenditure and Revenue

Function	Head	Expenditure 2021/22 £'000	Revenue 2021/22 £'000	Surplus/(Deficit) 2021/22 £'000
Management and Admin	Head 22	219	219	0
Vocational Education	Head 22	554	3	(551)
Pilling Primary and Pre-school	Head 22	342	0	(342)
Harford Primary and Pre-school	Head 22	364	0	(364)
St Pauls Primary and Pre-School	Head 22	371	0	(371)
Secondary Education	Head 22	1,035	0	(1,035)
Inclusion	Head 22	226	0	(226)
Teacher Training	Head 22	94	0	(94)
Education Standard Support	Head 22	347	0	(347)
Tertiary Education	Head 22	244	0	(244)
Public Library	Head 22	53	0	(53)
TOTAL		3,849	222	(3,627)

PORTFOLIO SUMMARY

HEALTH AND SOCIAL CARE PORTFOLIO

The role of the Health Directorate is to deliver a high standard of health care to improve the health status and wellbeing of the population, with particular emphasis on the vulnerable and those members of our community who are 'at risk'. It aims to promote healthy lifestyles and reduce the incidence of non-communicable diseases. Working with the community at large, the Health Directorate will influence the various determinants of health and prioritise interventions to maintain and improve health outcomes within suitable expertise and resources.

Health Directorate Priorities

Priority 1 - Maintain equitable and proportionate local access to a range of health services in partnership with the community for all and the most vulnerable.

Priority 2 - Expand preventative healthcare services and promote healthy lifestyles for everyone.

Priority 3 - Protect the population from clinical, environmental and other health threats and emergencies.

Priority 4 - Tackle the high prevalence and incidence of chronic long term conditions among the population (diabetes, hypertension and kidney disease in particular).

Priority 5 - Provide access to specialist and tertiary care in a sustainable and affordable manner.

Priority 6 - Ensuring that our existing and emerging health workforce needs are adequately met.

Priority 7 - Improve community engagement and patient experience of the local health service.

The role of Children and Adult Social Care Directorate is to provide a statutory service offer to the most vulnerable members of the community and effectively safeguard this service user group from risk or harm. The directorate achieves this through the provision of statutory social work intervention and support via children and adults social work teams. This statutory intervention meets the duties outlined within legislation on St Helena.

Children and Adults Social Care Directorate Priorities

Priority 1 - Ensure a safe statutory offer for children.

Priority 2 - Ensure a safe statutory offer for adults.

Priority 3 - Provide an effective community care offer.

Priority 4 - Provide a safe and effective looked after children's offer through residential care or fostering.

Priority 5 - Enhanced social care delivery through effective and efficient administration and good governance.

Priority 6 - Effective Probationary Service.

Summary of Budgeted Expenditure and Revenue

Function	Head	Expenditure 2021/22 £'000	Revenue 2021/22 £'000	Surplus/(Deficit) 2021/22 £'000
Health				
Management & Administration	Head 23	443	443	0
Local Medical	Head 23	1,697	134	(1,563)
Overseas Medical	Head 23	1,900	15	(1,885)
Hospital/Acute Care	Head 23	959	31	(928)
Community Care (Primary Care)	Head 23	267	0	(267)
Dental	Head 23	155	31	(124)
Environmental Health	Head 23	211	9	(202)
Laboratory	Head 23	356	39	(317)
Covid-19 Response	Head 23	460	0	(460)
Mental Health	Head 23	128	0	(128)
		6,576	702	(5,874)
Children and Adults Social Care				
Support Services	Head 29	167	167	0
Learning Disabilities	Head 29	203	0	(203)
Family Centre	Head 29	164	5	(159)
Sheltered Accommodation	Head 29	246	14	(232)
Community Care	Head 29	1,372	94	(1,278)
Outreach Day Care & Occupational Therapy	Head 29	251	0	(251)
Probation Services	Head 29	13	0	(13)
Safe Haven	Head 29	13	0	(13)
Children Services	Head 29	222	0	(222)
Adult Services	Head 29	973	0	(973)
		3,624	280	(3,344)
TOTAL		10,200	982	(9,218)

ANALYSIS OF EXPENDITURE AND REVENUE BY HEAD

HEAD 12: CENTRAL SUPPORT SERVICE

Accounting Officer: Deputy Chief Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Governor's Office	153	0	153	0	152	151	152
Management & Administration	257	0	257	0	257	259	260
Information Services	84	0	72	0	56	56	56
Public & National Affairs	244	0	229	0	229	235	235
Supporting Executive & Legislative Councils	321	0	321	0	412	489	489
Public Relations	67	0	67	0	96	94	94
Corporate Policy & Planning	87	0	114	0	75	72	72
TOTAL OUTPUTS	1,213	0	1,213	0	1,277	1,356	1,358
REVENUE BY OUTPUT							
Management & Administration	171	0	171	0	176	177	177
Information Services	1	0	1	0	1	1	1
Public & National Affairs	17	0	17	0	17	17	17
TOTAL REVENUE	189	0	189	0	194	195	195
NET EXPENDITURE (REVENUE)	1,024	0	1,024	0	1,083	1,161	1,163

Note:

1. Included in the Total Outputs is an amount of £131k which is recharges between Directorates and Trading Accounts.
2. Previously Attorney General's Chambers was appropriated under Head 12; this service has now transferred to Head 14.

HEAD 13: HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

Accounting Officer: Deputy Chief Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Human Resource Services	222	0	242	0	265	265	265
Technical Co-operation Posts	8,231	0	8,211	0	8,305	7,695	7,265
Overseas Training	286	0	206	0	241	274	275
TOTAL OUTPUTS	8,739	0	8,659	0	8,811	8,234	7,805
 NET EXPENDITURE (REVENUE)	 8,739	 0	 8,659	 0	 8,811	 8,234	 7,805

Note:

Included in the Total Outputs is an amount of £59k which is recharges between Directorates and Trading Accounts.

HEAD 14: ATTORNEY GENERAL'S CHAMBERS

Accounting Officer: Attorney General

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Attorney General's Chambers	116	0	116	0	115	115	115
TOTAL OUTPUTS	116	0	116	0	115	115	115
NET EXPENDITURE (REVENUE)	116	0	116	0	115	115	115

Notes:

1. The Attorney General's Chambers has transferred from Head 12 to Head 14.
2. Included is an amount of £22k which is recharges between Directorates and Trading Accounts.

HEAD 16: JUDICIAL SERVICES

Accounting Officer: Deputy Chief Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Justice Administration	128	0	128	0	130	131	131
TOTAL OUTPUTS	128	0	128	0	130	131	131
REVENUE BY OUTPUT							
Justice Administration	39	0	39	0	39	39	39
TOTAL REVENUE	39	0	39	0	39	39	39
NET EXPENDITURE (REVENUE)	89	0	89	0	91	92	92

Notes:

1. Included is an amount of £13k which is recharges between Directorates and Trading Accounts.

HEAD 15: SAFETY, SECURITY & HOME AFFAIRS

Accounting Officer: Portfolio Director Safety, Security & Home Affairs

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT								
Management & Administration	35	0	35	0	39	0	34	35
Fire & Rescue	356	0	356	0	355	33	333	335
Police Operations	488	0	488	0	471	0	504	491
HM Prison	333	0	333	0	366	0	365	381
Police Investigations & Public Protection	81	0	81	0	92	0	87	87
Immigration & Licensing	202	0	202	0	174	0	216	204
Emergency Planning	47	0	47	0	51	0	45	46
Sea Rescue Service	207	0	207	0	183	0	176	178
Contact Centre	113	0	113	0	138	0	129	132
Customs	272	0	272	0	283	0	272	272
Port Management	218	0	262	14	291	6	252	255
Maritime Compliance	0	0	0	0	8	0	16	16
TOTAL OUTPUTS	2,352	0	2,396	14	2,451	39	2,429	2,432
REVENUE BY OUTPUT								
Management & Administration	35	0	35	0	39	0	34	35
Fire & Rescue	8	0	8	0	8	0	8	8
Police Operations		0		0	202	0	202	202
Immigration & Licensing	245	0	245	0	37	0	65	65
Contact Centre	24	0	24	0	24	0	24	24
Port Management	32	0	32	0	1	0	0	0
TOTAL REVENUE	344	0	344	0	311	0	333	334
NET EXPENDITURE (REVENUE)	2,008	0	2,052	0	2,140	39	2,096	2,098

Notes:

1. Customs, Port Management has transferred from Head 17 to Head 15.
2. Appropriated under Head 15 is a new Output called Maritime Compliance which was previously funded by FCDO.
3. Included in revenue under Police Operations is the Road Traffic Licenses of £190k which was previously under Immigration and Licensing.
4. Included in the Total Outputs is an amount of £457k which is recharges between Directorates and Trading Accounts.

HEAD 17: TREASURY

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT								
Management of Social Security	81	0	88	0	82	0	82	82
Revenue Services	62	0	63	0	91	0	91	91
Accounting Services	397	0	397	0	398	0	400	402
Post & Customer Services Centre	180	0	190	0	176	0	182	182
Payments on behalf of the Crown	7,024	482	5,826	301	3,280	405	3,840	3,865
Corporate Procurement Services	44	0	47	0	44	0	44	44
Fish Processing	182	0	243	0	56	0	0	0
Civil Contingency	2,050	450	3,114	617	0	0	0	0
TOTAL OUTPUTS	10,020	932	9,968	918	4,127	405	4,639	4,666
REVENUE BY OUTPUT								
Revenue Services	11,275	0	11,275	0	11,443	0	10,929	11,108
Post & Customer Services Centre	70	0	70	0	89	0	88	89
Payments on behalf of the Crown	31,155	0	31,155	0	28,409	0	29,179	29,179
Fish Processing	16	0	16	0	2	0	0	0
TOTAL REVENUE	42,500	0	42,500	0	39,943	0	40,196	40,376
NET EXPENDITURE (REVENUE)	(32,480)	932	(32,532)	918	(35,816)	405	(35,557)	(35,710)

Notes:

1. Previously Customs & Excise and Port Management was appropriated under Head 17. These outputs are now appropriated under Head 15.
2. Previously Programme Management Office was appropriated under Head 17. This output is now appropriated under Head 27.
3. Included in the Total Outputs is an amount of £411k which is recharges between Directorates and Trading Accounts.
4. Included in the revenues above are the following: FCDO Financial Aid £27,790k, Customs Duty £5,393k and Taxes £5,670k.

HEAD 19: SUSTAINABLE DEVELOPMENT

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Economic Development	897	0	897	0	167	118	118
Vistor Information Service	0	0	0	0	100	88	93
Marketing	0	0	0	0	271	226	226
TOTAL OUTPUTS	897	0	897	0	538	432	437
NET EXPENDITURE (REVENUE)	897	0	897	0	538	432	437

Notes:

1. Included in the Total Outputs is an amount of £19k which is recharges between Directorates and Trading Accounts.

HEAD 20: PENSIONS AND BENEFITS

Accounting Officer: Deputy Financial Secretary

Pensions and Benefits provides for statutory payments. Pensions are payable in accordance with the Pensions Ordinance 2012, to persons with qualifying service in the Saint Helena Government. The social benefits, Basic Island Pension and Income Related Benefit are awarded to eligible claimants under the authority of the Social Security Ordinance 2011.

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Defined Benefit Pension	1,290	0	1,290	0	1,435	1,442	1,471
Basic Island Pension	2,649	0	2,649	0	2,848	2,875	2,922
Income Related Benefit	885	0	885	0	1,019	1,180	1,180
TOTAL OUTPUTS	4,824	0	4,824	0	5,302	5,497	5,573
NET EXPENDITURE (REVENUE)	4,824	0	4,824	0	5,302	5,497	5,573

Note: Head 20 Pensions and Benefits is not required to be appropriated from the Consolidated Fund under the Appropriation Ordinance as these payments are authorised under the Pensions Ordinance 2012 and Social Security Ordinance 2011 respectively.

HEAD 21: ACCESS

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT								
Shipping	632	0	532	0	500	0	500	500
Civil Aviation	375	0	375	0	3,781	0	1,568	1,558
Airport Operations	3,500	0	3,500	230	2,812	479	2,881	3,022
TOTAL OUTPUTS	4,507	0	4,407	230	7,093	479	4,949	5,080
REVENUE BY OUTPUT								
Shipping	0	0	0	0	0	0	0	0
Civil Aviation	0	0	0	0	1,930	0	0	0
Airport Operations	3,500	0	3,500	0	3,000	0	3,000	3,000
TOTAL REVENUE	3,500	0	3,500	0	4,930	0	3,000	3,000
NET EXPENDITURE (REVENUE)	1,007	0	907	0	2,163	479	1,949	2,080

Notes:

Included in the Total Outputs is an amount of £14k which is recharges between Directorates and Trading Accounts.

Civil Aviation was previously named Air Access.

HEAD 22: EDUCATION, SKILLS AND EMPLOYMENT

Accounting Officer: Portfolio Director Education, Skills and Employment

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Management and Admin	209	0	209	0	219	219	219
Vocational Education	519	15	519	15	554	655	653
Pilling Primary and Pre-school	343	0	343	0	342	342	342
Harford Primary and Pre-school	347	15	347	15	364	361	361
St Pauls Primary and Pre-School	356	0	356	0	371	371	371
Secondary Education	1,015	0	1,015	0	1,035	1,011	1,013
Inclusion	214	0	214	0	226	226	226
Teacher Training	99	0	99	0	94	94	94
Education Standard Support	29	0	29	0	347	347	347
Tertiary Education	180	0	180	0	244	325	338
Public Library	64	0	64	0	53	54	54
TOTAL OUTPUTS	3,375	30	3,375	30	3,849	4,005	4,018
REVENUE BY OUTPUT							
Management and Admin	209	0	209	0	219	219	219
Vocational Education	33	0	33	0	3	0	0
Secondary Education	2	0	2	0	0	0	0
TOTAL REVENUE	244	0	244	0	222	219	219
NET EXPENDITURE (REVENUE)	3,131	30,000	3,131	30	3,627	3,786	3,799

Note:

1. Included in the Total Outputs is an amount of £610k which is recharges between Directorates and Trading Accounts.
2. The School Bus service has transferred from Payments on behalf of the Crown, Head 17 to Head 22 under Education Standard Support.

HEAD 23: HEALTH

Accounting Officer: Portfolio Director Health & Social Care

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT								
Management & Administration	380	0	380	0	443	0	443	443
Local Medical	1,495	0	1,495	156	1,563	134	1,621	1,621
Overseas Medical	1,700	0	1,867	0	1,900	0	1,700	1,700
Hospital/Acute Care	916	0	916	0	959	0	964	962
Community Care (Primary Care)	252	0	252	0	267	0	267	267
Dental	143	0	143	0	155	0	155	155
Environmental Health	201	0	201	0	211	0	211	211
Laboratory	350	0	350	0	356	0	356	356
Covid-19 Response	0	0	0	0	122	338	0	0
Mental Health	141	0	141	0	128	0	130	130
TOTAL OUTPUTS	5,578	0	5,745	156	6,104	472	5,847	5,845
REVENUE BY OUTPUT								
Management & Administration	380	0	380	0	443	0	443	443
Local Medical	134	0	134	0	134	0	134	134
Overseas Medical	15	0	15	0	15	0	15	15
Hospital/Acute Care	30	0	30	0	31	0	31	31
Dental	26	0	26	0	31	0	31	31
Environmental Health	9	0	9	0	9	0	9	9
Laboratory	38	0	38	0	39	0	40	40
TOTAL REVENUE	632	0	632	0	702	0	703	703
NET EXPENDITURE (REVENUE)	4,946	0	5,113	156	5,402	472	5,144	5,142

Notes:

1. Appropriated under Head 23 is a new Output called Covid-19 Response.
2. Included in the Total Outputs is an amount of £1,095k which is recharges between Directorates and Trading Accounts.
3. Included in Overseas Medical Output above is £700k for Aero Medical Evacuation and £1,200k for Overseas Medical Treatment.

HEAD 26: ENVIRONMENT, NATURAL RESOURCES AND PLANNING

Accounting Officer: Portfolio Director Environment Natural Resources & Planning

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT							
Forestry Production and Tree Surgery	133	0	153	0	135	136	136
Forest Establishment, Maintenance & Protection	127	0	130	0	128	128	129
Fisheries Administration, Protection & Policy Advice	95	0	64	0	96	96	96
Biosecurity Services	64	0	64	0	63	63	64
Agricultural Support	418	0	414	8	429	438	440
Grounds Maintenance	65	0	71	0	65	65	65
Planning & Building Control	116	0	96	0	150	150	151
Upkeep of Public Facilities & Areas	44	0	46	0	40	40	40
Environmental Assessment & Advisory	101	0	74	0	88	88	89
Nature Conservation - Terrestrial	142	0	157	0	152	153	153
Nature Conservation - Marine	67	0	74	0	77	78	78
Waste Management	303	0	324	0	332	331	337
Landscape Ecology Mitigation Programme	0	0	0	0	38	49	49
TOTAL OUTPUTS	1,675	0	1,667	8	1,793	1,815	1,827
REVENUE BY OUTPUT							
Forestry Production & Tree Surgery	19	0	19	0	16	16	16
Fisheries Administration, Protection & Policy Advice	28	0	28	0	25	25	25
Agricultural Support	37	0	37	0	37	37	37
Waste Management	10	0	10	0	10	10	10
Planning & Building Control	17	0	17	0	18	18	18
TOTAL REVENUE	111	0	111	0	106	106	106
NET EXPENDITURE (REVENUE)	1,564	0	1,556	8	1,687	1,709	1,721

Note:

1. Included in the Total Outputs is an amount of £494k which is recharges between Directorates and Trading Accounts.

2. Appropriated under Head 26 is a new output called Landscape Ecology Mitigation Programme (LEMP) which was previously funded by FCDO.

HEAD 27: INFRASTRUCTURE

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Capital 2023/24 £'000
EXPENDITURE BY OUTPUT										
Management & Administration	259	0	219	0	254	0	249	0	249	0
Provision & Maintenance of Roads	398	0	398	0	416	0	415	0	415	0
Provision & Maintenance of Street lighting	47	0	47	0	27	0	42	0	42	0
Rock Fall Protection	63	0	71	0	73	0	73	0	73	0
Building Maintenance (Works)	534	53	551	173	562	91	563	50	562	51
Technical Services	111	7	121	7	124	0	124	0	124	0
Land Registration & Property Disposal	48	0	48	0	75	0	77	0	77	0
National Geographic Information System	88	0	96	0	92	0	92	0	92	0
Project Management	34	0	42	0	139	0	134	0	134	0
TOTAL OUTPUTS	1,582	60	1,593	180	1,762	91	1,769	50	1,768	51
REVENUE BY OUTPUT										
Management & Administration	259	0	259	0	254	0	249	0	249	0
Provision & Maintenance of Roads	2	0	2	0	1	0	0	0	0	0
Building Maintenance	33	0	33	0	65	0	66	0	66	0
Technical Services	20	0	20	0	19	0	24	0	24	0
Land Registration & Property Disposal	119	0	119	0	193	0	196	0	196	0
National Geographic Information System	14	0	14	0	14	0	14	0	14	0
TOTAL REVENUE	447	0	447	0	546	0	549	0	549	0
NET EXPENDITURE (REVENUE)	1,135	60	1,146	180	1,216	91	1,220	50	1,219	51

Note:

1. Project Management was previously appropriated under Head 17 as Programme Management Unit.
2. Included in the Total Outputs is an amount of £399k which is recharges between Directorates and Trading Accounts.

HEAD 29: CHILDREN & ADULTS SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
EXPENDITURE BY OUTPUT								
Support Services	137	0	152	0	167	0	167	167
Learning Disabilities	241	0	248	0	203	0	197	197
Family Centre	159	0	164	0	164	0	158	158
Sheltered Accommodation	230	0	239	0	246	0	239	239
Community Care	1,164	0	1,273	0	1,247	125	1,247	1,248
Outreach Day Care & Occupational Therapy	0	0	0	0	251	0	243	243
Probation Services	0	0	0	0	13	0	10	13
Safe Haven	13	0	13	0	13	0	13	13
Children's Services	191	0	201	0	222	0	223	223
Adult Services	913	0	1,053	0	973	0	968	968
TOTAL OUTPUTS	3,048	0	3,343	0	3,499	125	3,465	3,469
REVENUE BY OUTPUT								
Support Services	137	0	137	0	167	0	167	167
Family Centre	10	0	0	0	5	0	5	5
Sheltered Accommodation	15	0	15	0	14	0	14	14
Community Care	142	0	142	0	94	0	94	94
TOTAL REVENUE	304	0	294	0	280	0	280	280
NET EXPENDITURE (REVENUE)	2,744	0	3,049	0	3,219	125	3,185	3,189

Note:

1. Appropriated under Head 29 is a new output called Probation Services.
2. Included in the Total Outputs is an amount of £350k which is recharges between Directorates and Trading Accounts.

ADDITIONAL INFORMATION

TRADING ACCOUNTS

There are a number of SHG activities which operate very similar to a business venture, these are classified as trading accounts and have been set up as Special Funds under the provision of section 3 of the Public Finance Ordinance.

	Revenue	Expenditure	Surplus /(Deficit)	Revenue	Expenditure	Surplus /(Deficit)	Revenue	Expenditure	Surplus /(Deficit)	Accounting Officer
	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23	2023/24	2023/24	2023/24	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
TRADING ACTIVITIES										
Transport	1,064	1,367	(303)	1,100	719	381	1,124	713	411	Senior Transport Manager
Information Technology	1,149	1,030	119	1,151	1,076	75	1,151	1,087	64	IT Section Manager
Housing Service	354	354	0	354	354	0	354	354	0	Head of Infrastructure
St Helena Audit Service	355	371	(16)	355	355	0	355	355	0	Chief Auditor
Internal Audit Service	60	83	(23)	60	79	(19)	60	77	(17)	Group Head of Internal Audit and Risk
TOTALS	2,982	3,205	(223)	3,020	2,583	437	3,044	2,586	458	

Note: Expenditure for Special Funds are not required to be appropriated under the Appropriation Ordinance.