



**St Helena
Government**

GOVERNMENT OF ST HELENA

**ESTIMATES OF
RECURRENT AND CAPITAL EXPENDITURE
AND REVENUE
2022/2023 – 2024/2025**



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GOVERNMENT OF ST HELENA BUDGET 2022/2023

FOREWORD BY

THE HON MINISTER FOR TREASURY, INFRASTRUCTURE & SUSTAINABLE DEVELOPMENT

Introduction

I am pleased to present the Government of St Helena's budget for the financial year 2022/23. This is the first budget to be presented following the move to the new ministerial form of government and the General Election in October 2021. This budget is the culmination of months of intense and challenging discussions around the strategic direction for the Island, the significant risks and challenges faced by the Island both internally and from external sources and the aspirations for economic and social growth.

The budget process has been led by Ministers since they took up their appointments in October 2021 and we take responsibility for the budget setting approach and allocation of funding. Ministers have had to make 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.

In the development of the 2022/2023 Budget, Ministers have taken into account how the budget best supports their Vision as published on 1 March 2022, which is:

A **SUSTAINABLE ENVIRONMENT** that creates **OPPORTUNITY** and inspires **SOCIAL** and **ECONOMIC PROGRESS** ensuring a better quality of life for all.

Further work will be done during this financial year in order to develop strategic plans and budgets to achieve this vision.

Budget Overview

The total expenditure budget for 2022/2023 is £44.678 million, comprising of £43.592 million for recurrent expenditure and a further £1.086 million allocated for capital expenditure across Portfolios and service areas. This budget sets out the Government's estimate of the amounts necessary to deliver public services for the financial year 2022/2023 to deliver the 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 expenditure of £3.784 million in comparison to the previous year. This is a result of removing costs associated with the Titan charter flights as St Helena's air service provision with Airlink recommenced from 26 March 2022.

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.

St Helena continues to be dependent on UK Financial Aid to support the provision of public services and the St Helena Government (SHG) is grateful to Her Majesty's Government for this continued support to the Island through financial aid.

The Financial Aid Mission (FAM) to discuss the Financial Aid settlement for 2022/2023, took place virtually in January 2022. These discussions gave an opportunity for Ministers and Officials to share with colleagues in the Foreign, Commonwealth and Development Office (FCDO) the progress made by St Helena Government against its strategy and key performance indicators and to discuss key risks and challenges facing the Public Service and the Island.

Confirmation of the Financial Aid settlement 2022/2023 has been received and is for a one year programme. A three year settlement for financial aid could not be agreed but this remains a key priority for this Government to provide greater clarity and greater certainty to Portfolios and the people of St Helena on the level of investment into key service areas.

A three-year Memorandum of Understanding (MOU) was signed in 2019 between SHG and FCDO for Financial Aid. This MOU came to an end at the end of the 2021/2022 financial year and a one year MOU has recently been signed for 2022/2023. We have presented in this Budget Book indicative budgets for the outer years 2023/24 and 2024/2025.

Basis of the Budget

The Budget for 2022/2023 is cash-based but has been modified to take account of certain principles of accruals budgeting, where operating expenditure and capital investment have been clearly separated.

The Medium Term Expenditure Framework (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 August 2021, Portfolios were asked to take into account the agreed central core initiatives which included:

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

The budgets for individual portfolios are shown on an 'Outputs' rather than an 'Inputs' basis. That is, the costs of the various types of services provided by each portfolio are shown rather than line by line resources that are input to the system. This strengthens the accountability of Portfolio Directors and Accounting Officers for the use of public funds with which they are entrusted, and the outcomes they have agreed to deliver with the funding allocated.

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. Portfolio Strategy and Delivery Plans and budgets have been prepared in line with the 10 Year Plan.

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.”

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

- **Altogether Safer**
- **Altogether Healthier**
- **Altogether Better for Children and Young People**
- **Altogether Greener**
- **Altogether Wealthier**
- **Effective, Efficient and Accountable Public Sector**
- **Effective Infrastructure**

Through the 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 fifteen particular export and import substitution sectors which can improve St Helena’s Balance of Payments.

The goals of the SEDP are to:

- 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. 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

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 that for much of the past two years St Helena has been less accessible than it was in the days of the RMS. During 2020/2021, there were approximately 2,100 arrivals to the Island, compared to 890 in the same period for 2020/2021.

Between April 2021 and March 2022, there were only 740 arrivals for tourism or leisure purposes compared to 250 during the same period in 2020/2021. The vast majority of these (91%) were St Helenians returning to visit friends and relatives, a marginal decrease from 2020/2021. The limitations on air travel globally and difficulties associated with the situation in South Africa specifically mean there were no commercial air service to St Helena prior to the end of March 2022 when the commercial air service between St Helena and Johannesburg resumed. According to the international aviation industry, normal volumes of international air travel are not expected to return until 2025 meaning that, even once regular flights resume, commercial flights may be on a reduced schedule for the foreseeable future.

In addition to COVID-19, there are other factors that will impact SHG revenues both positively and negatively in the coming financial years. The first is new taxes. The taxing of allowances from October 2021 has the potential to increase PAYE income, however this has to be offset against the higher than normal staff turnover and vacancy rate reducing PAYE income. Turnover of TC positions increased from 20.2% in 2020 to 32.6% in 2021, which was at its highest rate since data has been available in 2016. While the introduction of tax on allowances was cited as a contributing factor by some departing TC Officers, the increased turnover had been observed before the tax change was announced and can be closely linked to the uncertainty and reduced access associated with COVID-19.

Behavioural change is being attempted by SHG's Health Promotion Advisor. Health promotion efforts related to tobacco, alcohol and sugar may help reduce consumption of these products which would, in turn, reduce revenues collected.

Efforts to increase local food production, like the Agriculture and Natural Resources Division's drive to encourage potato farming, 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 brought in under a passenger's duty free allowance which has likely offset this impact in the near term.

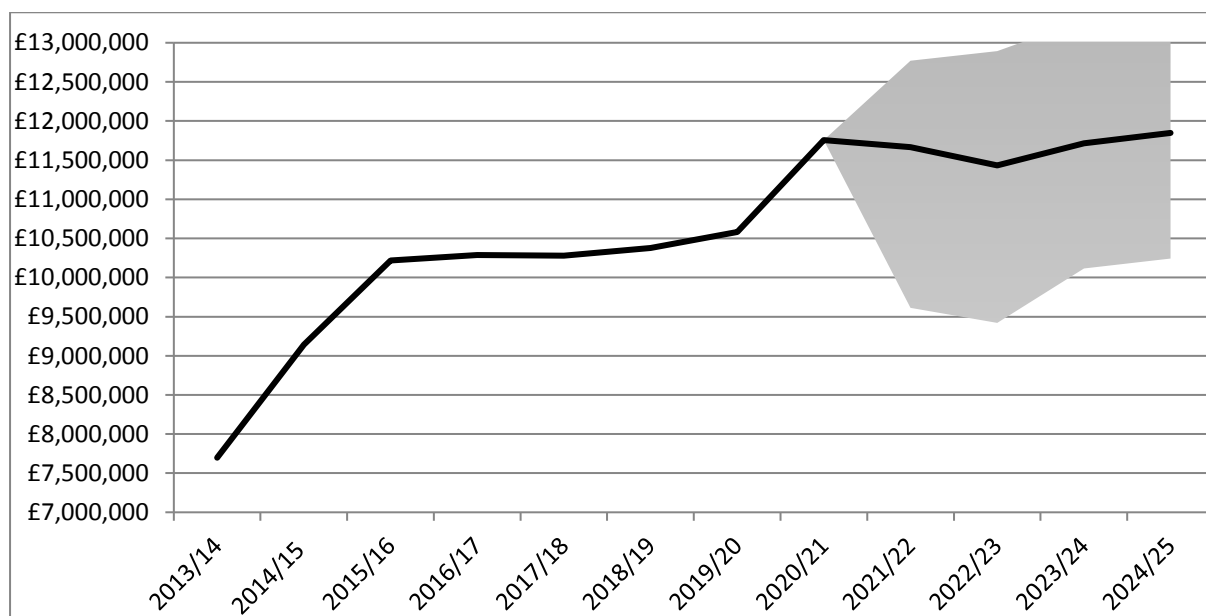
Reductions in the cost of broadband packages expected following landing of the fibre optic cable may lead to lower revenue from Service Tax. This has been incorporated in forecasts from January 2023 when a new Public Communications Networks and Services Licence is in place. Furthermore, there could be significantly lower profits under the new licence (or even none under the unlikely/outside scenario that the telecommunications network would be state owned), and this makes Corporation Tax extremely sensitive. The sooner the preferred

bidder of the public communications networks and services licence procurement is announced, the sooner forecasts can be updated in this regard.

There are still efforts being made to implement the Energy Strategy goal of achieving 100% of energy production through renewable sources which may help to reduce electricity prices on the Island, 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.

Figure 1: High, Medium and Low Revenue Estimates



COVID-19 Impacts

Approximately £5.0 – 6.0 million was expended per annum by tourists in 2019, reducing to £2.0 million in 2020¹. The 75% 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 2020/2021 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.

As noted above, the most significant impact of COVID-19 has been in reducing access to St Helena. This section addresses some of the direct financial impacts of that reduced access. However, there are wider impacts of that reduced access that can have a multiplier effect, compounding an already difficult situation.

¹ SHG Statistics Office

The population on St Helena remained relatively stable over the course of the past two years, due in part to COVID-19 and lockdowns in the rest of the world. However, as other countries have begun to reopen and labour shortages abroad make overseas employment more accessible, the population on-Island has declined steadily since the pandemic peak of Christmas 2020 and is now the lowest since 2013. The reduced population leads to a vicious circle – a reduced number of customers leads to fewer opportunities for businesses which leads more people to seek employment elsewhere. The limited flight cycle last year also meant large groups departed at one time rather than ‘trickling’ off on a weekly basis, which can compound the sense that ‘everyone’ is leaving.

The reduced flight schedule has also changed consumption patterns for those on-Island. With a weekly stream of new arrivals and departures, there were more regular reasons for residents to go out for special occasions. A limited flight schedule means that celebrations of new arrivals and departures are now compressed into a relatively short timeframe. Quarantine requirements meant that there were nearly two weeks between a group departing and new arrivals circulating in the community, contributing to a quieter atmosphere during that period.

During short busy periods, some pubs and restaurants may operate at or near full capacity but not make enough revenue to compensate for significantly reduced business in between. Further, staffing needs may vary greatly from week-to-week. For local residents, social calendars and budgets are similarly compressed, which may reduce interest in events put on by hospitality businesses outside of peak periods.

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 estimated in a previous forecast 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 have happened.

As noted above, the total population on-Island remained relatively stable over the course of the last two years. With the exception of peak season (December/January), the total population was slightly higher in each month than in the corresponding period in 2019/20. While there were fewer visitors temporarily on-Island at any given time, there were 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.

Since December 2020, the resident population has declined steadily. This is consistent both with seasonal patterns and the reopening of the UK and other countries beginning in May 2021. The most recent data available (February 2022) shows a total on-Island resident population of 4,252. This is the lowest since September 2013 (4,251). This trend will impact customs duty, income tax and other revenues if it continues.

Future revenue forecasts are highly uncertain due to the rapidly changing global situation related to COVID-19 and international air travel. Further, as explained above, there are reasons that revenues may change in unexpected ways as a result of outside stimuli. For 2021/22, the current budget has been used and adjusted where performance-to-date suggests collections will be substantially different than expected. For 2022/23, the last pre-COVID forecast (July 2019) has been used based on the assumption that revenue levels and growth will revert to 'normal' at some point in the future. For future years, standard projections about growth have been applied.

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 as a result of reduced visitor numbers due to COVID-19. However, actual collections were approximately £350,000 higher than originally budgeted and around £800,000 more than the year previous. There are a few reasons why this may be true.

First, 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. Also the economy has been highly subsidised by UK tax payers which has been useful in weathering the storm. 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. Going forward, however, this is likely to change as a result of the rescinding of the business support package, information from the sector that businesses are considering closing, and an outward migration of skilled hospitality staff. However, as the hospitality sector is relatively small in St Helena, this will initially have less of a significant effect at the macro level.

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 (i.e., that individuals will always choose to maximise profit), 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 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. October 2020, hardship support was only available to businesses in the tourism sector and the programme was discontinued entirely at the end of March 2021.

There is no evidence that COVID-19 has led to increased unemployment on St Helena. Unemployment benefit claims for the first six months of 2020/21 were 20-58% higher than in the corresponding month in 2019/20 – a period for which unemployment was 2-3 times higher than historic levels. Claims decreased slightly by October 2020 and were 4% lower than in October 2019. Other than January and February 2021, unemployment claims for the remainder of 2020/21 were lower than the corresponding month in FY 2019/20. Unemployment claims for the first half of 2021/22 were lower than the corresponding month in either of the preceding financial years. It is unclear whether this is because individuals found employment, stopped looking for work or left the Island.

While this may only have marginal impact on SHG revenues, any 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.

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. As above, a number of the largest businesses on St Helena are in sectors that are not directly impacted by COVID-19. 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.

Future revenue forecasts are highly uncertain due to the rapidly changing global situation related to COVID-19 and international air travel. Further, as explained above, there are reasons that revenues may change in unexpected ways as a result of outside stimuli. For 2021/22, the current budget has been used and adjusted where performance-to-date suggests collections will be substantially different than expected. For 2022/23, the last pre-COVID forecast (July 2019) has been used based on the assumption that revenue levels and growth will revert to 'normal' at some point in the future. For future years, standard projections about growth have been applied.

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 – Q2 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 – Q2 2021. The Short Term forecast is based on a regression using a zero constant and data from 2005 – Q2 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	2.90%	3.00%	2.93%	3.10%	2.95%	3.21%
2022-23	3.58%	3.59%	3.50%	3.70%	3.41%	3.66%
2023-24	3.22%	3.53%	3.44%	3.60%	3.29%	3.56%
2024-25	3.20%	3.53%	3.44%	3.59%	3.28%	3.55%

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, however there are signs of sharp increases in inflation across the world following the invasion of Ukraine which has significantly impacted the cost of fuel.

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%. The inflation in 2021 was 1.7%, higher than the previously projected rate of 0.7%. Longer-term inflation forecasts for the United Kingdom and South Africa have increased slightly since the last forecast was made in April 2021. As such, we have revised the forecast for future year inflation. These will be revisited during the financial year in light of recent unavoidable increases in global inflation rates.

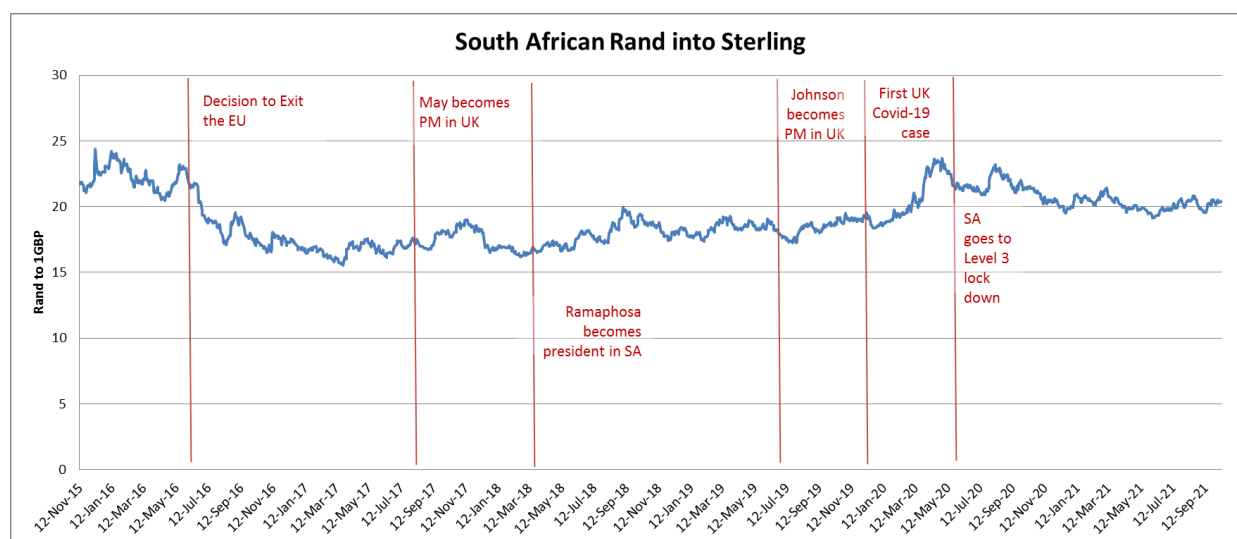
Table 2: Primary Inflation Forecast 2021 - 2025

Year	Inflation expectation
2021/22	2.9%
2022/23	3.4%
2023/24	3.4%
2024/25	3.4%

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 April 2020, 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 Nov 2015 – Oct 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.

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 2020).

During the 2020/21 financial year, approval was received for works in Ruperts to develop the infrastructure needed to transfer cargo operations from Jamestown into Ruperts. This is the largest component of the programme, which commenced in the 2021/22 financial year. Upgrades to the R2 road network (Field Road and Side Path) linking Ruperts to Jamestown was also approved in 2020/21 and was initiated in September 2021. 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 £3.0 million in the 2021/22 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. It is envisaged that the sector will continue to contribute to tax revenues, particularly PAYE and self-employed tax.

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. A review of the SEDP will occur at the end of 2021/22, through consultation with new ministers. It is suggested by the Sustainable Development Team that the following new sectors are considered for addition: Digital Finance; Professional Services; Trust Administration and Cannabis.

The Investment Strategy was agreed and 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 and updated in 2021. 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. Both local and overseas investors are eligible to apply. Seven businesses have received Approved Investor Status since the incentive was made available in 2019. These include a project which increases salad production; a Fun Park project; a campsite project; an eco-friendly tour accommodation and payment system project; a coffee farm, an offshore fishing business and a tour operator providing a land train and hire car services. Most of these projects are in the start-up stage at present.

Communications

Changes in the Public Communications Networks and Services Licence from 1 January 2023 may have a number of effects. These are largely unknown since the procurement of the Licence holder is not yet complete. The existing licence holder contributes a significant proportion of the corporation tax collected, and therefore revenue will be sensitive to what happens. It could be that the drive for cheaper packages drives down the profit in this sector, reducing income taxes. In the middle scenario, it is assumed that tax reduces by 75% in the sector from 1 January 2023 (which is collected with a 1 year lag).

There could be improvements in the digital sector based upon the arrival of the cable, however their success ultimately depends upon the attractiveness of the location. If unit costs of electricity do not reduce for large users, then this will present a significant barrier to growth. SHG currently receives £17,000 per annum for ground station licence fees for ground stations which are not yet constructed. SHG may lose this if it isn't able to provide a lease, the operator cannot get planning permission, or the price of electricity isn't attractive. The opportunities in this sector largely hinge on SHG providing an investor enabling environment.

Impact of Policy Changes

Beginning in October 2021, most supplements paid to internationally recruited workers became subject to income tax. This is the only tax policy change in 2021/22. However, it has been noted that there has been higher turnover than usual for SHG Technical Cooperation officers. While the introduction of tax on allowances was cited as a contributing factor by some departing TC Officers, the increased turnover had been observed before the tax change was announced and can be closely linked to the uncertainty and reduced access associated with COVID-19. There is a higher vacancy rate than usual. There are no tax policy changes planned for the next financial year as we allow the recent changes to embed and review the implementation and impacts of them on the economy.

Key assumptions for Revenue Forecast for 2022/23 and beyond

PAYE Tax

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 from 2022/23. The 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.

EDIP spending is expected to assist growth in PAYE, however, there may be inflationary increases processed by private companies; although SHG and its state owned entities have not put in place any inflationary increases in salary. 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.

Planned 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. While wage growth on St Helena has been very slow, Public Service real wages have been falling as there have been no inflation linked increases.

Corporation Tax

Taxes paid by businesses 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. The inflationary increase is justified by the EDIP projects being a stimulus, replacing the usual private building which is expected to reduce due to the downturn. Corporation tax receipts increased in 2020/21 due to the increase in visitors during the 2019/20 summer season but are expected to decline due to the impacts of COVID-19 related travel restrictions. Corporation taxes are also expected to decrease with the availability of significantly less expensive broadband packages leading to lower profit margins from 1 January 2023.

Service Tax

Downward pressures on Service Tax 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 and are expected to decrease with the anticipated availability of affordable 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% 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 Tax

There were increases to tobacco, alcohol, excise duties and liquor tariffs on 29 March 2022. The tariff charges rose with inflation (1.7%) for alcohol and inflation plus 2% (3.7%) for tobacco. There have not been changes to petrol and diesel duty because of the already high price of energy and fuel on the Island. Further changes to customs and excise duty will be discussed by the tax and revenue working group but have not been incorporated in these forecasts. No changes are recommended in 2022/2023 other than tobacco and alcohol changes.

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 from 2022/23. 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 +2% 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 in the future due to green initiatives such as renewable energy from 2023/24.

There are many other factors which may affect imports. These include: 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; and 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. However, small adjustments up and down which try to forecast behaviour would not be a worthwhile exercise as, because of the level of uncertainty, it places no greater confidence in the numbers than using a simple approach of uplifting forecasts based upon inflation.

Tax Revenue Projections

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 2022/23 financial year and the budgets for 2021/22 and 2020/21.

INCOME TAX	2022/23 Budget £000	2021/22 Budget £000	2020/21 Budget £000
Taxes - PAYE	4,086	4,121	3,564
Taxes - Self Employed	260	241	379
Taxes - Corporation Tax	888	787	818
Taxes - Service Tax	707	513	654
Taxes - Withholding Tax	23	8	21
Total Taxes	5,964	5,670	5,436

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.

Customs Duties Projections

The table below shows the projected Customs and Excise revenue the 2022/23 financial year and the budgets for 2021/22 and 2020/21.

CUSTOMS DUTY	2022/23 Budget £000	2021/22 Budget £000	2020/21 Budget £000
Customs - Other	2,105	1,863	2,011
Specific Duty (Alcohol and Tobacco)	2,268	2,385	2,070
Fuel (Petrol)	312	312	380
Fuel (Diesel)	463	456	456
Liquor Duty	18	18	17
Excise Duty	412	359	566
Total Customs and Excise Duties	5,578	5,393	5,500

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.

Summary of the 2022/23 St Helena Government Budget

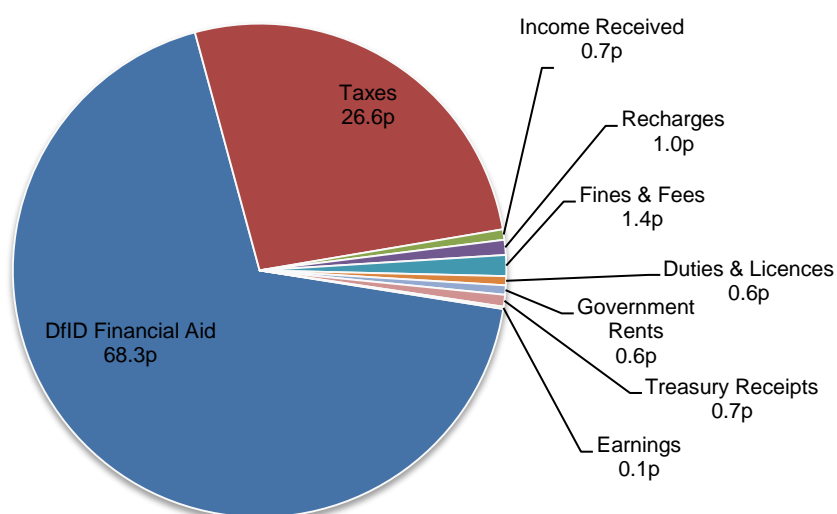
The table below summarises the total estimated expenditure and key sources of revenue for 2022/23 and the comparative 2021/22 estimates.

Budget Components	2022/23 £m	2021/22 £m	Inc /(Dec) £m
FCDO Financial Aid	29.7	30.8	(1.1)
Local Revenue	13.4	14.7	(1.3)
Recharges between Heads	0.4	1.8	(1.4)
Total Revenue	43.5	47.3	(3.8)
Recurrent Expenditure	43.6	46.9	(3.3)
Capital Expenditure	1.1	1.6	(0.5)
Total Expenditure	44.7	48.5	(3.8)

Revenues

The chart below shows where each pound of revenue is expected to be generated in 2022/23. 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 2022/23



FCDO Financial Aid

The financial aid package in terms of core financial aid remains the same as the previous financial year at £26.79 million and up to £2.88 million is available for the St Helena Airport operations.

FCDO continues to provide contingency funding on a call down basis at an increased level of £2.12 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 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

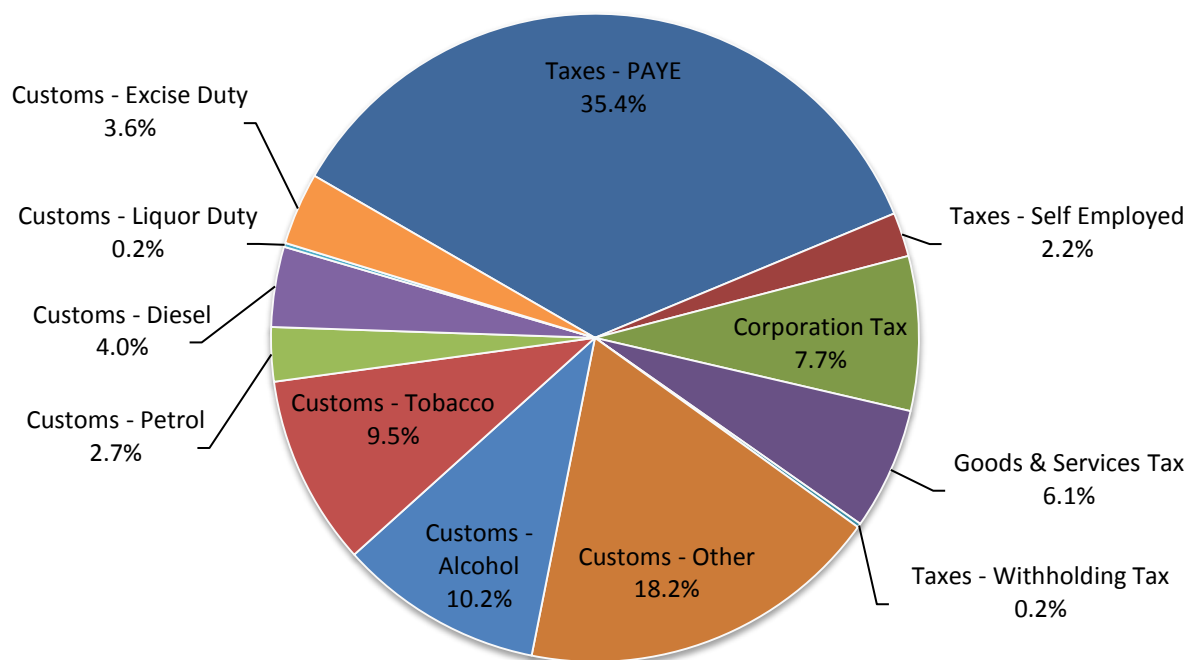
the event of a case of COVID-19 coming to the Island. This additional support is no longer available as separate budget support, however the costs of maintaining the Island's preparedness and addressing issues brought on by the pandemic has been factored into portfolio budgets.

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 2022/23. Local revenues are projected to decrease by £1.3 million in comparison with the budget for 2021/22. This is largely attributable to chartered flight revenues that was included in the budget for last financial year.

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 2022/23.

Taxes and Customs Duty Revenue by Source in 2022/23

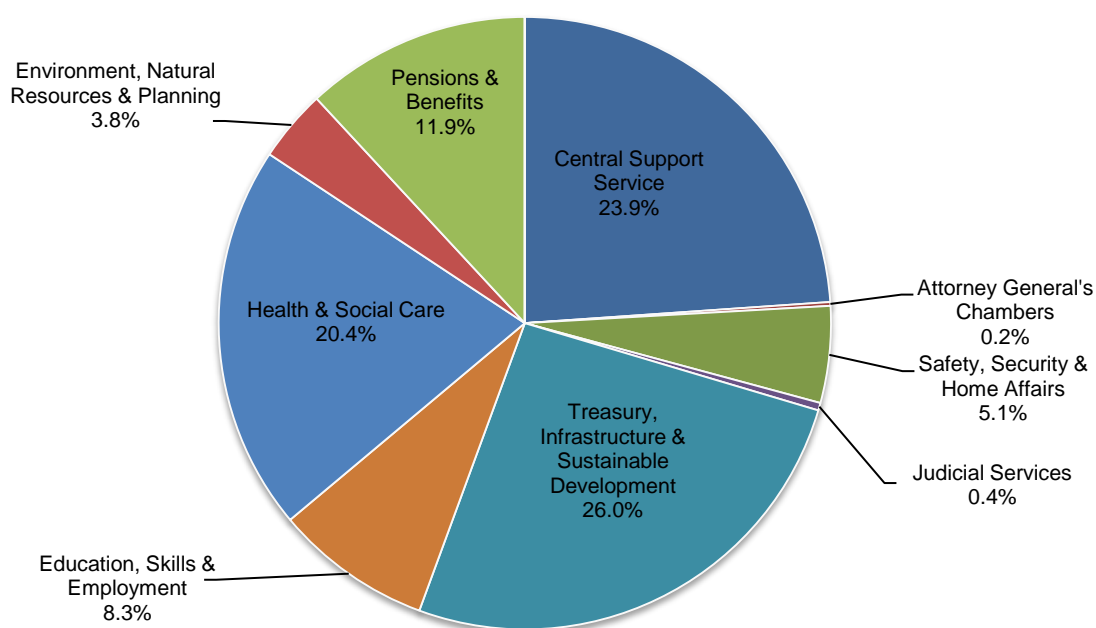


Expenditure

The total expenditure for 2022/23 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 2022/23.

Recurrent Expenditure by Head for 2022/23



Financing the Budget

The proposed Government expenditure budget of £44.68 million will be funded by budgeted revenue of £43.46 million, which is made up of:

- FCDO Core Financial Aid of up to £26.79 million,
- FCDO Financial Aid for Airport Operations of up to £2.88 million;
- Customs revenue of £5.58 million,
- Tax revenue of £5.96 million, and
- Other local revenue including recharges of £2.24 million.

The budget is also supported by a one off withdrawal of £1.22 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;
- £0.03 million for the balance remaining 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;
- £0.2 million for an Independent Assessment of a Health Clinical service that was approved through a Special Warrant in 2021/2022; and
- £0.513 million for essential refurbishment and upgrade works within the Health Directorate.

Closing Remarks

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 2022/23 financial year and beyond which need to be carefully monitored and managed. The budget will be monitored on a monthly basis both locally at service level and corporately by Central Finance.

Hon Mark Brooks

Minister for Treasury, Infrastructure & Sustainable Development



GOVERNMENT OF ST HELENA
SUMMARY OF BUDGETED EXPENDITURE AND REVENUE

	Original Estimate 2021/22 £'000	Revised Estimate 2021/22 £'000	Original Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000	Forecast Estimate 2024/25 £'000
EXPENDITURE					
Recurrent Expenditure					
Central Support Service	10,088	10,073	10,401	10,455	10,458
Attorney General's Chambers	115	115	104	105	106
Safety, Security and Home Affairs	2,451	2,451	2,240	2,256	2,242
Judicial Services	130	136	148	150	151
Treasury, Infrastructure and Sustainable Development	13,520	14,306	11,353	11,290	11,403
Education, Skills and Employment	3,849	3,849	3,606	3,631	3,579
Health and Social Care	9,603	11,181	8,876	8,601	8,567
Environment, Natural Resources and Planning	1,793	1,793	1,667	1,600	1,598
	41,549	43,904	38,395	38,088	38,104
Pensions & Benefits	5,302	5,302	5,197	5,434	5,570
Total Recurrent Expenditure	46,851	49,206	43,592	43,522	43,674
Capital Expenditure					
Treasury, Infrastructure and Sustainable Development	975	633	559	50	50
Safety, Security and Home Affairs	39	39	14	0	0
Health and Social Care	597	692	513	0	0
Total Capital Expenditure	1,611	1,364	1,086	50	50
TOTAL EXPENDITURE	48,462	50,570	44,678	43,572	43,724
REVENUE					
Taxes	11,063	11,063	11,542	11,913	12,007
Duty & Licences	284	284	259	259	259
Fines & Fees	590	590	597	598	599
Government Rents	266	266	265	259	236
Earnings Government Departments	62	62	62	63	64
Income Received	2,310	2,979	296	196	196
Treasury Receipts	127	127	337	112	112
FCDO Financial Aid	27,790	28,790	26,790	26,790	26,790
FCDO Airport Operations Funding	3,000	3,000	2,880	3,022	3,000
Recharges	1,781	1,781	428	428	430
TOTAL REVENUE	47,273	48,942	43,456	43,640	43,693
CONTRIBUTION FROM THE CONSOLIDATED FUND	1,189	1,628	1,222	0	0
TOTAL FUNDING	48,462	50,570	44,678	43,640	43,693

SUMMARY OF TOTAL REVENUE



GOVERNMENT OF ST HELENA

TOTAL REVENUE

Sub-Head No.		Previous Year Original Estimate 2021/22 £'000	Current Year Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000	Forecast Estimate 2024/25 £'000
	TAXES	11,063	11,542	11,913	12,007
012-00200	Taxes - PAYE	4,121	4,086	4,437	4,437
012-00201	Taxes - Self Employed	241	260	234	234
012-00202	Taxes - Corporation Tax	787	888	872	872
012-00203	Taxes - Service Tax	513	707	503	503
012-00204	Taxes - Withholding Tax	8	23	8	8
012-00205	Customs - Other	1,863	2,105	2,123	2,141
012-00206	Customs - Alcohol	1,299	1,173	1,213	1,255
012-00207	Customs - Tobacco	1,086	1,095	1,134	1,184
012-00208	Customs - Petrol	312	312	296	282
012-00209	Customs - Diesel	456	463	441	418
012-00210	Liquor Duty	18	18	19	19
012-00220	Excise Duty	359	412	633	654
	DUTY & LICENCES	284	259	259	259
013-00301	Stamp Duty	47	24	24	24
013-00302	Dog Licence	5	5	5	5
013-00303	Firearm Licence	7	5	5	5
013-00304	Liquor Licence	12	10	10	10
013-00305	Road Traffic Licence	190	192	192	192
013-00307	Gaming Machine Licence	3	2	2	2
013-00310	Other Licences & Duty Received	20	21	21	21
	FINES & FEES	590	597	598	599
014-00403	Court Fees & Fines	10	10	10	10
014-00405	Cranage	1	5	5	5
014-00407	Dental Fees	30	33	33	33
014-00409	Medical & Hospital	193	193	193	193
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	32	32	32
014-00417	Birth, Marriage & Death Fees	4	4	4	4
014-00418	Land Registration Fees	12	12	12	12
014-00419	Spraying Fees	2	3	3	3
014-00420	Immigration Fees	37	37	37	37
014-00428	Fish/Food Testing Fees	21	21	21	21
014-00430	Planning Fees	18	20	21	22
014-00431	GIS Fees	14	14	14	14
014-00432	Company Registration Fees	3	3	3	3
014-00450	Other Fees Received	199	189	189	189



GOVERNMENT OF ST HELENA

TOTAL REVENUE

Sub-Head No.		Previous Year Original Estimate 2021/22 £'000	Current Year Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000	Forecast Estimate 2024/25 £'000
	GOVT RENTS	266	265	259	236
015-00503	Gardens	8	7	7	7
015-00504	Leased House Plots	26	27	27	27
015-00505	Boarding and Lodging	94	113	113	113
015-00506	Commercial Property Rents	108	110	107	83
015-00507	Miscellaneous Receipts	23	1	1	1
015-00508	Agricultural Buildings	7	7	4	5
	EARNINGS GOVERNMENT DEPTS	62	62	63	64
016-00601	Stamp Sales(Postal)	30	30	30	30
016-00602	Stamp Sales (Philatelic)	20	20	20	20
016-00603	Sale of Firewood	11	11	12	13
016-00604	Sale of Timber Logs	1	1	1	1
	INCOME RECEIVED	2,310	296	196	196
011-00110	Miscellaneous Receipts	16	12	12	12
017-00750	Other Income Received	364	284	184	184
017-00754	Chartered Flight Income	1,930	0	0	0
	TREASURY RECEIPTS	127	337	112	112
018-00800	Commission	3	3	3	3
018-00801	Interest	54	72	72	72
018-00804	Currency Fund Surplus	0	150	0	0
018-00806	Dividends	45	87	12	12
018-00808	Argos	25	25	25	25
	TOTAL LOCAL REVENUE	14,702	13,358	13,400	13,473
	FINANCIAL AID	30,790	29,670	29,812	29,790
018-00810	FCDO Financial Aid	27,790	26,790	26,790	26,790
018-00815	FCDO Airport Operations Funding	3,000	2,880	3,022	3,000
	RECHARGES	1,781	428	428	430
019-00905	Customs	380	320	320	320
019-00906	Other	1,397	104	104	106
019-00907	Postal	4	4	4	4
	TOTAL REVENUE	47,273	43,456	43,640	43,693

SUMMARY OF TOTAL RECURRENT EXPENDITURE



GOVERNMENT OF ST HELENA **TOTAL RECURRENT EXPENDITURE**

Sub-Head No.		Previous Year Original Estimate 2021/22 £'000	Current Year Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000	Forecast Estimate 2024/25 £'000
	EMPLOYEE COSTS	19,161	19,690	19,871	19,857
021-01103	Salaries	13,270	13,413	13,502	13,534
021-01105	Allowances	2,445	2,652	2,616	2,616
021-01107	Staff Mileage Allowance	8	64	63	63
021-01201	Defined Benefit Pensions	1,806	1,575	1,625	1,630
021-01202	Pension Contribution	804	1,139	1,200	1,200
021-01205	Training Expenses	316	305	372	334
021-01302	Wages - Part Time Staff	267	332	299	289
021-01304	Overtime	108	101	88	85
021-01400	Other Employee Costs	137	109	106	106
	PROPERTY COSTS	671	691	692	706
022-02101	Building Maintenance	38	35	16	15
022-02102	Grounds Maintenance	11	9	9	9
022-02107	Roads Maintenance	1	3	3	3
022-02203	Electricity	487	498	513	528
022-02302	Rent of Premises	11	15	18	18
022-02401	Water	78	77	80	80
022-02403	Maintenance of Sewer Lines	13	16	16	16
022-02501	Maintenance of Street Lights	8	4	4	4
022-02601	Cleaning Materials	24	34	33	33
	TRANSPORT & PLANT COSTS	58	65	65	65
023-03501	Vehicle Hire Charges - Outside SHG	58	65	65	65
	SUPPLIES & SERVICES	5,014	4,764	4,828	4,754
024-04101	Furniture & Equipment	252	203	215	207
024-04102	Tools	28	30	35	32
024-04103	Materials	541	538	513	496
024-04104	Fert/Pesticides/Fungicides	9	10	10	10
024-04105	Chemicals	4	4	4	4
024-04107	Lubricating Oils	3	7	6	5
024-04108	Plant & Equipment Maintenance	44	48	44	44
024-04109	Medical Supplies	677	675	654	639
024-04110	Vet Drugs/Stores	41	40	40	40
024-04111	Animal Feed	2	2	2	2
024-04114	Repairs & Maintenance	45	15	22	22
024-04115	Fuel	56	143	139	141
024-04116	Computer Equipment	21	5	7	6
024-04120	Publicity & Promotional Activities	21	29	30	30
024-04123	Prisoner Rehabilitation	15	12	13	13



GOVERNMENT OF ST HELENA **TOTAL RECURRENT EXPENDITURE**

Sub-Head No.		Previous Year Original Estimate 2021/22 £'000	Current Year Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000	Forecast Estimate 2024/25 £'000
024-04201	Food Provisions	266	257	259	261
024-04301	Uniforms	45	35	36	33
024-04302	Protective Clothing	75	48	47	47
024-04401	Library Books & Materials	9	5	5	5
024-04402	Stamp Issues	18	14	18	18
024-04403	Computer Consumables	84	77	72	70
024-04405	Training Materials	91	59	89	59
024-04406	Photocopy Consumables	13	13	13	13
024-04407	IT Renewals & Licences	185	173	178	180
024-04503	Overseas Medical Treatment	1,200	1,500	1,500	1,500
024-04504	Medical Evacuation	700	200	250	250
024-04505	Postal Charges	14	16	16	16
024-04508	Scientific & Technical Analysis	129	162	151	151
024-04509	Occupational Therapy	7	7	7	7
024-04710	Education Broadband	409	413	413	413
024-04800	Other Supplies & Services	10	24	40	40
	ADMINISTRATION COSTS	895	725	734	734
025-05101	Printing	20	18	18	18
025-05102	Stationery	39	27	27	27
025-05103	Newspapers & Periodicals	1	0	0	0
025-05105	General Office Expenses	2	1	1	1
025-05201	Postages	5	5	4	4
025-05202	Telephones, Fax & Internet Charges	530	470	485	485
025-05203	International Telecoms	17	11	11	11
025-05205	Other Administration Costs	120	41	38	38
025-05206	Advertising	103	95	95	95
025-05300	Banking Fees	21	20	18	18
025-05301	Investment Management Fees	36	36	36	36
025-05302	Bank Charges - Debit Card	1	1	1	1
	PAYMENT TO OTHER AGENCIES, BODIES OR PERSONS	9,550	9,701	9,860	10,048
026-06101	Examination & Testing Fees	45	44	41	41
026-06104	Student Scholarship Scheme	222	194	194	194
026-06105	Apprenticeships	158	158	158	158
026-06106	Miscellaneous Farmers Support	23	33	17	17
026-06117	St Helena Hotel Development	200	150	200	200
026-06141	Public Solicitors Office	76	60	70	70
026-06143	Media Services	33	28	33	33
026-06145	Swimming Pool Contract	86	105	106	107
026-06148	Public Transport System	73	71	71	71
026-06158	Subsidy to Connect St Helena	353	652	472	554
026-06159	Equality & Human Rights	75	84	75	75
026-06165	Legal Assistance Fund	30	35	35	35
026-06169	Cleaning Services for the Elderly	24	24	17	17
026-06200	Miscellaneous Grants ¹	370	425	418	418
026-06204	Wharf Management Fee	3	3	3	3
026-06212	Consultancy Fees	181	253	212	212



GOVERNMENT OF ST HELENA

TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2021/22 £'000	Current Year Estimate 2022/23 £'000	Forecast Estimate 2023/24 £'000	Forecast Estimate 2024/25 £'000
026-06501	Social Benefits	1,023	882	1,006	1,101
026-06502	Unemployment Benefits	35	0	0	0
026-06503	Community Employment & Allowances	59	59	59	59
026-06504	Better Life Allowances	241	241	241	241
026-06505	Basic Island Pension	2,848	2,743	2,806	2,842
026-06506	Child in Need Allowance	38	38	38	38
026-06507	Community Carer Allowances	405	405	405	436
026-06508	Home Care Support Workers	137	134	161	126
026-06700	St Helena Airport Ltd Subsidy Payments	2,812	2,880	3,022	3,000
	OTHER EXPENDITURE	5,159	2,765	2,855	2,905
027-07101	Councillors Expenses	288	362	362	362
027-07102	Election Expenses	8	1	1	1
027-07104	Compensation	68	68	68	68
027-07106	UK Representative	194	194	191	191
027-07112	Sub to Professional Bodies	51	47	47	47
027-07114	Legal Fees	62	91	66	66
027-07116	Ferry Service	41	36	36	36
027-07128	Accommodation & Travel	534	390	397	397
027-07135	Ad Hoc Committee Expenses	22	22	22	22
027-07136	Commonwealth Parliamentary Assoc.	16	11	11	11
027-07138	Transfer to Reserves	1,390	1,459	1,568	1,618
027-07139	Service Tax	90	84	86	86
027-07143	Charter Flight	2,395	0	0	0
	PAYMENTS TO CONTRACTORS	2,268	2,515	2,065	2,047
028-08101	Agricultural Contracts	84	74	78	70
028-08102	Bus Service	300	204	204	204
028-08103	Other Contracts	1,553	1,886	1,418	1,393
028-08104	Cleaning Contract	331	351	365	380
	RECHARGES	4,075	2,676	2,552	2,557
029-09900	Transport	1,068	997	1,009	1,012
029-09903	IT	1,095	1,162	1,162	1,170
029-09904	Customs	435	216	95	90
029-09905	Other	1,236	29	29	28
029-09907	Postal	1	1	1	1
029-09908	Audit Fees	240	271	256	256
	TOTAL EXPENDITURE	46,851	43,592	43,522	43,673

Note

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

EXPENDITURE AND REVENUE BY HEAD

HEAD 12

CENTRAL SUPPORT SERVICE

ACCOUNTING OFFICER:
DEPUTY CHIEF SECRETARY

Overview

Central Support Service provides a wide range of support services to the five Portfolios as well as the Executive and Legislative Councils. It also provides services to the public. The Support Services are pertinent to ongoing Public Service delivery, high level decision making, accountability, compliance and good public relations.

The Portfolio has six Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

Portfolio Priorities

Priority 1 - Drive St Helena Government'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 the Public Service and Government

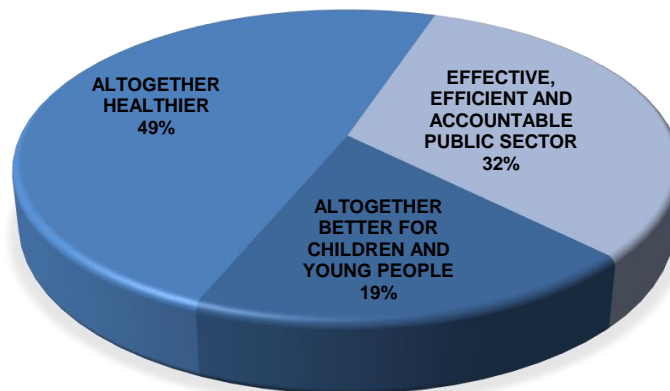
Priority 4 - Enable and support policy makers, portfolios and the public to make better decisions

Priority 5 - Support the development of the Public Service through the delivery of an effective People Strategy

Priority 6 - Ensure the provision of an effective and efficient vehicle hire service

Contribution towards achieving the National Goals for St Helena	2022/23 £'000
Altogether Better for Children and Young People	1,951
Altogether Healthier	5,083
Effective, Efficient and Accountable Public Sector	3,367
	10,401

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Deliverables

Central Support Service will proactively manage and lead the business of Government through engagement with internal and external stakeholders to keep abreast of advances in technology and environmental changes and respond to customer needs with a view to providing optimum support, information and enabling services.

Public Services will be delivered by an inclusive and diverse workforce where achievements and good performance are rewarded and recognised, where equal opportunities prevail and where barriers/silo working are non-existent.

Summary of Budgeted Expenditure and Revenue

	Recurrent Expenditure 2022/23 £'000	Capital Expenditure 2022/23 £'000	Revenue 2022/23 £'000	Surplus/(Deficit) 2022/23 £'000
Central Support Service	1,456	0	18	(1,438)
Corporate Human Resources	474	0	0	(474)
Technical Co-operation Posts	8,471	0	0	(8,471)
TOTAL	10,401	0	18	(10,383)

HEAD 12: CENTRAL SUPPORT SERVICE

Accounting Officer: Deputy Chief Secretary

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT							
Governor's Office	152	0	149	0	141	141	142
Management & Administration	257	0	272	0	436	436	436
Information Services	56	0	56	0	49	49	50
Public & National Affairs	229	0	227	0	222	219	219
Supporting Executive & Legislative Councils	412	0	406	0	481	481	482
Public Relations	96	0	95	0	72	78	78
Corporate Policy & Planning	75	0	74	0	55	55	55
Human Resource Services	265	0	265	0	266	266	266
Technical Co-operation Posts	8,305	0	8,305	0	8,471	8,475	8,475
Overseas Training	241	0	224	0	208	255	255
TOTAL OUTPUTS	10,088	0	10,073	0	10,401	10,455	10,458

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000
REVENUE BY OUTPUT							
Management & Administration	176	0	176	0	0	0	0
Information Services	1	0	1	0	1	1	1
Public & National Affairs	17	0	17	0	17	17	17
TOTAL REVENUE	194	0	194	0	18	18	18
NET EXPENDITURE (REVENUE)	9,894	0	9,879	0	10,383	10,437	10,440

Note:

1. Included in the Total Outputs is an amount of £108k which is recharges between Heads of expenditure and Trading Accounts.
2. Management and Administration recharges are no longer included in the Government budget.

HEAD 14

ATTORNEY GENERAL'S CHAMBERS

ACCOUNTING OFFICER:
ATTORNEY GENERAL

HEAD 14: ATTORNEY GENERAL'S CHAMBERS

Accounting Officer: Attorney General

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT							
Attorney General's Chambers	115	0	115	0	104	105	106
TOTAL OUTPUTS	115	0	115	0	104	105	106
NET EXPENDITURE (REVENUE)	115	0	115	0	104	105	106

Note:

Included is an amount of £20k which is recharges between Trading Accounts.

HEAD 15

SAFETY, SECURITY & HOME AFFAIRS

ACCOUNTING OFFICER:
PORTFOLIO DIRECTOR
SAFETY, SECURITY & HOME AFFAIRS

Overview

The Safety Security & Home Affairs Portfolio is at the frontline of keeping citizens safe and the Island secure and plays a fundamental role in the security and economic prosperity of St Helena. Close working across Portfolios, local businesses and the community is required to help to tackle safety issues for the Island. St Helena will prosper significantly from being open, engaged and connected to the rest of the world and it creates tremendous opportunities for individuals and the Island's collective prosperity.

The Portfolio provides a wide range of services to the communities of St Helena, Ascension Island and Tristan da Cunha and comprises the Police, Immigration, Customs, Fire and Rescue, Sea Rescue, Prison, Emergency Planning, Port Control, Maritime and a range of licensing and inspection services. The Portfolio also provides a 24 hour emergency services contact, control and command centre.

The Portfolio has five Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

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.

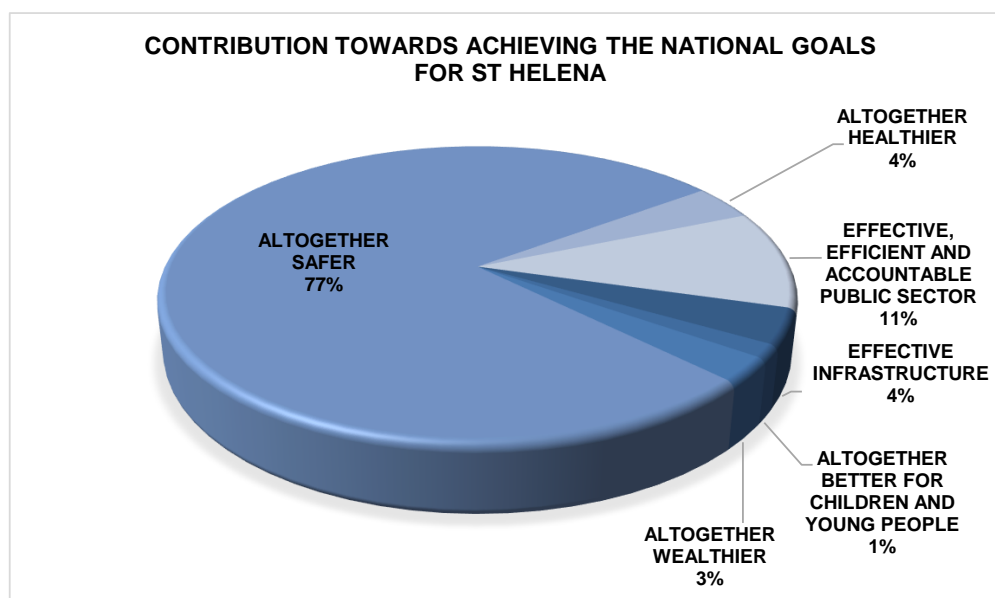
Priority 3 - Improving community trust and confidence in the services provided by the Portfolio.

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'.

Contribution towards achieving the National Goals for St Helena

	2022/23 £'000
Altogether Safer	1,746
Effective, Efficient and Accountable Public Sector	242
Effective Infrastructure	87
Altogether Healthier	86
Altogether Wealthier	60
Altogether Better for Children and Young People	32
	<u>2,254</u>



Deliverables

The Portfolio will continue to safeguard the wellbeing of the community for future prosperity through providing expertise and knowledge to St Helena Government and the community, protecting society and ensuring terrestrial and maritime environments are a safe place to work. Our support will also encompass Ascension and Tristan da Cunha.

Reviews will be implemented across Customs, Immigration, Fire Service, Maritime, the Prison and Police Service to ensure the services are fit for purpose and continue to meet the needs of St Helena for the future.

Coordinated training programs across the Portfolio will ensure staff receive the required training and gain the necessary skills to provide a service that is fit for purpose, efficient and delivers the safety and security that the community requires. Enhanced use of technology will be a significant feature in preparing for connectivity of the fibre optic cable.

Summary of Budgeted Expenditure and Revenue

	Recurrent Expenditure 2022/23 £'000	Capital Expenditure 2022/23 £'000	Revenue 2022/23 £'000	Surplus/(Deficit) 2022/23 £'000
Safety, Security and Home Affairs	2,240	14	276	(1,978)
TOTAL	2,240	14	276	(1,978)

HEAD 15: SAFETY, SECURITY & HOME AFFAIRS

Accounting Officer: Portfolio Director Safety, Security & Home Affairs

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT								
Management & Administration	39	0	39	0	0	0	0	0
Fire & Rescue	355	33	355	33	322	0	322	322
Police Operations	471	0	461	0	700	0	697	683
HM Prison	366	0	394	0	379	0	380	388
Police Investigations & Public Protection	92	0	102	0	0	0	0	0
Immigration	174	0	174	0	153	0	154	152
Emergency Planning	51	0	51	0	0	0	0	0
Sea Rescue Service	183	0	183	0	166	0	169	166
Contact Centre	138	0	134	0	0	0	0	0
Customs	283	0	264	0	269	0	273	269
Port Management	291	6	286	6	231	14	241	242
Maritime Compliance	8	0	8	0	20	0	20	20
TOTAL OUTPUTS	2,451	39	2,451	39	2,240	14	2,256	2,242
REVENUE BY OUTPUT								
Management & Administration	39	0	39	0	0	0	0	0
Fire & Rescue	8	0	8	0	8	0	8	8
Police Operations	202	0	202	0	226	0	226	226
Immigration	37	0	37	0	37	0	37	37
Contact Centre	24	0	24	0	0	0	0	0
Port Management	1	0	1	0	5	0	5	5
TOTAL REVENUE	311	0	311	0	276	0	276	271
NET EXPENDITURE (REVENUE)	2,140	0	2,140	0	1,964	14	1,980	1,971

Note:

1. Management and Administration recharges are no longer included in the Government budget.
2. Police Investigations & Public Protection and Contact Centre is now combined under Police Operations Output.
3. Included in revenue under Police Operations is the Road Traffic Licenses of £192k.
4. Included in the Total Outputs is an amount of £335k which is recharges between Heads and Trading Accounts.

HEAD 16

JUDICIAL SERVICES

ACCOUNTING OFFICER:
CHIEF MAGISTRATE

HEAD 16: JUDICIAL SERVICES

Accounting Officer: Chief Magistrate

	Original Recurrent 2020/21 £'000	Original Capital 2020/21 £'000	Revised Recurrent 2020/21 £'000	Revised Capital 2020/21 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT							
Justice Administration	130	0	136	0	148	150	151
TOTAL OUTPUTS	130	0	136	0	148	150	151
REVENUE BY OUTPUT							
Justice Administration	39	0	39	0	25	25	25
TOTAL REVENUE	39	0	39	0	25	25	25
NET EXPENDITURE (REVENUE)	91	0	97	0	123	125	126

Note:

Included is an amount of £11k which is recharges between Trading Accounts.

HEAD 17

TREASURY, INFRASTRUCTURE AND
SUSTAINABLE DEVELOPMENT

ACCOUNTING OFFICER:
DEPUTY FINANCIAL SECRETARY

Overview

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

The Portfolio has five Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

Portfolio Priorities

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

Priority 2 - Stimulate sustainable economic growth and social development

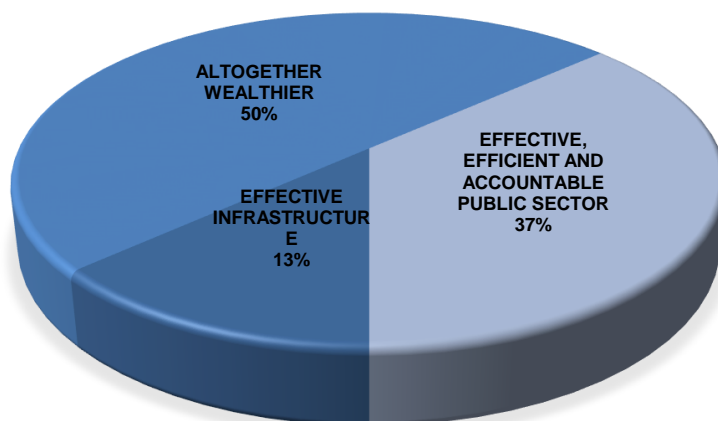
Priority 3 - Develop and maintain the Islands physical infrastructure

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

Priority 5 - Strengthen Public Financial Management and Accountability

Contribution towards achieving the National Goals for St Helena	2022/23 £'000
Altogether Wealthier	5,967
Effective, Efficient and Accountable Public Sector	4,358
Effective Infrastructure	1,587
	11,912

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Deliverables

The Portfolio will be focusing resources on an efficient and effective process for enabling investment on St Helena, identifying key sectors for development and diversification that will bring the greatest returns for St Helena, an Island Master Plan to enable effective decision making with regards to the use of land and an improved property disposal policy for a clear and efficient process to gain access to crown land.

A review of the effectiveness of tax administration will be undertaken and an agreed plan put in place to develop and strengthen tax administration on island.

Summary of Budgeted Expenditure and Revenue

	Recurrent Expenditure	Capital Expenditure	Revenue	Surplus/(Deficit)
	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000
Treasury	827	0	11,948	11,121
DC Pension Scheme Payments	825	0	0	(825)
Payments on behalf of the Crown	2,677	30	27,539	24,832
Infrastructure	1,537	50	277	(1,310)
Sustainable Development	573	0	0	(573)
Civil Aviation	1,534	0	0	(1,534)
Airport Operations	2,880	479	2,880	(479)
Cargo Handling Subsidy	500	0	0	(500)
TOTAL	11,353	559	42,644	30,732

HEAD 17: TREASURY, INFRASTRUCTURE AND SUSTAINABLE DEVELOPMENT

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000
EXPENDITURE BY OUTPUT										
Management of Social Security	82	0	82	0	47	0	47	0	47	0
Revenue Services	91	0	91	0	85	0	97	0	97	0
Central Finance	398	0	398	0	439	0	443	0	449	0
Post & Customer Services Centre	176	0	176	0	176	0	181	0	182	0
Payments on behalf of the Crown	3,280	405	3,365	482	3,502	30	3,352	0	3,449	0
Corporate Procurement Services	44	0	44	0	79	0	80	0	80	0
Fish Processing	56	0	56	0	0	0	0	0	0	0
Management & Administration	254	0	244	0	123	0	137	0	137	0
Provision & Maintenance of Roads	416	0	416	0	384	0	381	0	376	0
Provision & Maintenance of Street lighting	27	0	27	0	26	0	25	0	25	0
Rock Fall Protection	73	0	73	0	71	0	71	0	71	0
Building Maintenance (Works)	562	91	562	101	527	50	524	50	512	50
Technical Services	124	0	124	0	123	0	123	0	123	0
Land Registration & Property Disposal	75	0	75	0	72	0	72	0	72	0
National Geographic Information System	92	0	92	0	78	0	78	0	79	0
Project Management	139	0	139	0	134	0	124	0	125	0
Economic Development	167	0	167	0	218	0	235	0	235	0
Visitor Information Service	100	0	100	0	100	0	100	0	100	0
Marketing	271	0	271	0	255	0	252	0	248	0
Shipping	500	0	500	0	500	0	500	0	500	0
Civil Aviation	3,781	0	4,492	0	1,534	0	1,446	0	1,496	0
Airport Operations	2,812	479	2,812	50	2,880	479	3,022	0	3,000	0
TOTAL OUTPUTS	13,520	975	14,306	633	11,353	559	11,290	50	11,403	50

HEAD 17: TREASURY, INFRASTRUCTURE AND SUSTAINABLE DEVELOPMENT

Accounting Officer: Deputy Financial Secretary

	Estimate Recurrent 2021/22 £'000	Estimate Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Capital 2023/24 £'000
REVENUE BY OUTPUT										
Revenue Services	11,443	0	11,443	0	11,863	0	12,233	0	12,327	0
Post & Customer Services Centre	89	0	89	0	85	0	85	0	86	0
Payments on behalf of the Crown	28,409	0	28,409	0	27,539	0	27,214	0	27,214	0
Fish Processing	2	0	2	0	0	0	0	0	0	0
Building Maintenance (Works)	65	0	65	0	65	0	65	0	65	0
Technical Services	19	0	19	0	26	0	26	0	28	0
Land Registration & Property Disposal	193	0	193	0	172	0	169	0	146	0
National Geographic Information System	14	0	14	0	14	0	14	0	14	0
Civil Aviation	1,930	0	1,930	0	0	0	0	0	0	0
Airport Operations	3,000	0	3,000	0	2,880	0	3,022	0	3,000	0
TOTAL REVENUE	45,164	0	45,164	0	42,644	0	42,828	0	42,880	0
NET EXPENDITURE (REVENUE)	(31,644)	975	(30,858)	633	(31,291)	559	(31,538)	50	(31,477)	50

Note:

1. Included in the Total Outputs is an amount of £365k which is recharges between Heads of expenditure and Trading Accounts.
2. Included in the revenues above are the following: FCDO Financial Aid £26,790k, Customs Duty £5,578k and Taxes £5,964k.

HEAD 20

PENSIONS AND BENEFITS

ACCOUNTING OFFICER:
DEPUTY FINANCIAL SECRETARY

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 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT							
Defined Benefit Pension	1,435	0	1,435	0	1,575	1,625	1,630
Basic Island Pension	2,848	0	2,848	0	2,743	2,806	2,842
Income Related Benefit	1,019	0	1,019	0	879	1,003	1,098
TOTAL OUTPUTS	5,302	0	5,302	0	5,197	5,434	5,570
NET EXPENDITURE (REVENUE)	5,302	0	5,302	0	5,197	5,434	5,570

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 22

EDUCATION, SKILLS AND EMPLOYMENT

ACCOUNTING OFFICER:
PORTFOLIO DIRECTOR
EDUCATION, SKILLS AND EMPLOYMENT

Overview

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 support the economic and human capital development of the island.

As part of core education provision, four schools provide full-time compulsory schooling for children from five to sixteen years of age under the Education Ordinance (2008). All schools are supported by the Teacher Training and Inclusion Sectors.

The Portfolio also provides a range of non-core services which include Early Years education for children from age three, sixth form education for eligible sixteen to eighteen year olds, management of tertiary education and operation of the Lifelong Learning Sector which encompasses the St Helena Community College, Career Access St. Helena, the St. Helena Research Institute and the St Helena Public Library Service.

The Portfolio has four Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

Portfolio Priorities

Priority 1 - Improve educational outcomes for all.

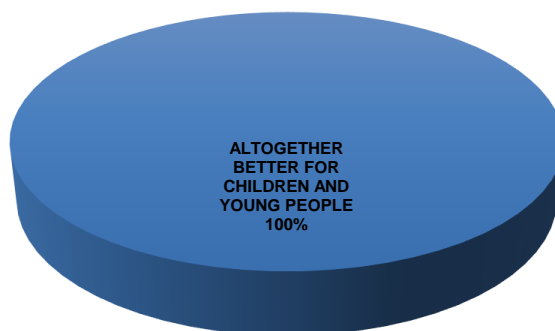
Priority 2 - Operate an inclusive system that meets the holistic needs of all children.

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.

Contribution towards achieving the National Goals for St Helena 2022/23	£'000
Altogether Better for Children and Young People	3,606

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Deliverables

A review of the current structure of primary and secondary education will be undertaken to derive a clear plan on how compulsory education is delivered to enable the best educational benefits for students and ensure that children with additional needs are given the appropriate support to enable them to achieve their development milestones. The Portfolio will continue to build a fully qualified, experienced, competent and stable workforce and in addition, procure an independent inspector to undertake an evaluation of the standards of teaching and learning in schools to gain an understanding of the improvements required and how to achieve them.

A revised Scholarship scheme will be put in place to include opportunity for self-contributions, increased bonding and more alliance with the needs of the labour market on St Helena. In addition, the Portfolio hopes to establish a Scholarship Trust to allow opportunities for outside funding to support the Scholarship scheme.

Career Access St Helena will be fully established and will be supporting the employment and career development needs of the community of St Helena and those wanting to take up employment on St Helena. The St Helena Research Institute will establish a Data Recording System and see an increased number of applications and visits by off-shore researchers.

Summary of Budgeted Expenditure and Revenue for 2022/23

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Education, Skills and Employment	3,606	0	1	(3,605)

HEAD 22: EDUCATION, SKILLS AND EMPLOYMENT

Accounting Officer: Portfolio Director Education, Skills and Employment

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT							
Management and Administration	219	0	219	0	212	210	210
Vocational Education	554	0	554	0	454	451	452
Pilling Primary and Pre-school	342	0	342	0	311	311	311
Harford Primary and Pre-school	364	0	364	0	326	326	326
St Pauls Primary and Pre-School	371	0	371	0	339	339	339
Secondary Education	1,035	0	1,035	0	1,077	1,079	1,081
Inclusion	226	0	226	0	212	211	211
Teacher Training	94	0	94	0	68	68	68
Education Standard Support	347	0	347	0	374	403	348
Tertiary Education	244	0	244	0	194	194	194
Public Library	53	0	53	0	39	39	39
TOTAL OUTPUTS	3,849	0	3,849	0	3,606	3,631	3,579
REVENUE BY OUTPUT							
Management and Administration	219	0	219	0	0	0	0
Vocational Education	3	0	3	0	1	1	1
Secondary Education	0	0	0	0	0	0	0
TOTAL REVENUE	222	0	222	0	1	1	1
NET EXPENDITURE (REVENUE)	3.627	0	3.627	0	3.605	3.630	3.578

Note:

1. Included in the Total Outputs is an amount of £469k which is recharges between Heads of expenditure and Trading Accounts.
2. Management and Administration recharges are no longer included in the Government budget.

HEAD 23

HEALTH AND SOCIAL CARE

ACCOUNTING OFFICER:
PORTFOLIO DIRECTOR
HEALTH & SOCIAL CARE

Overview

The Health & Social Care Portfolio has overall responsibility for the Island's health and social care through key services including: Medical, Nursing and Community Care, Statutory Social Work, Residential Care for adults and children, Fostering, Sheltered Accommodation, Domiciliary Services, Pharmacy, Laboratory and Dental. Our aim is to drive the health and social care transformation, to deliver outstanding care and effective safeguarding within the community to ensure the people of St Helena can enjoy longer healthier, happier lives and remain independent and active in their own homes for as long as possible.

The Portfolio has five Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

Portfolio Priorities

Priority 1 - Ensure all users, staff and visitors to our services and within the community are safe, protected from abuse and avoidable harm.

Priority 2 - Ensure the prevention of ill health is at the core of all of our work and that care, treatment and support for people using our services achieves good outcomes, prevents ill health, promotes a good quality of life and are evidence based where possible.

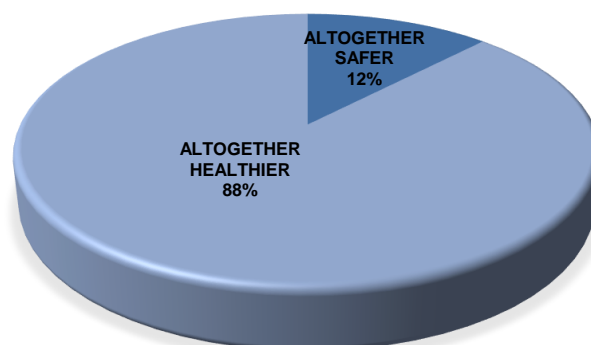
Priority 3 - Ensure all services involves and treats people with compassion, kindness, dignity and respect.

Priority 4 - Ensure all services are organised so that they meet people's needs and are streamlined to prevent repetition or duplication.

Priority 5 - To improve understanding of how effectively resources are used to provide high-quality, efficient and sustainable health and social care services for our population.

Contribution towards achieving the National Goals for St Helena 2022/23	£'000
Altogether Healthier	8,303
Altogether Safer	1,087
	<u>9,389</u>

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS
FOR ST HELENA



Deliverables

The Portfolio will be a key partner/leader in driving health and wellbeing, healthcare and social care on St Helena by delivering outstanding care and effective safeguarding within the community. Working with overseas partners to bring the best knowledge and practices to the Island will ensure health and care services are as efficient and effective as possible to ensure that everyone on St Helena has longer, healthier, happier lives and are able to remain independent and active in their own homes as long as possible.

Summary of Budgeted Expenditure and Revenue for 2022/23

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Health Services	3,932	513	261	(4,184)
Aero Medical Evacuation	200	0	0	(200)
Overseas Medical Treatment	1,500	0	0	(1,500)
Children and Adult Social Care	3,003	0	113	(2,890)
Better Life Allowance	241	0	0	(241)
TOTAL	8,876	513	374	(8,774)

HEAD 23: HEALTH AND SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT								
Management & Administration	443	0	443	0	350	0	352	351
Local Medical	1,563	134	1,764	134	1,542	0	1,236	1,235
Overseas Medical	1,900	0	3,062	0	1,700	0	1,750	1,750
Hospital/Acute Care	959	0	959	0	760	513	766	772
Community Care (Primary Care)	267	0	267	0	221	0	201	196
Dental	155	0	155	0	120	0	120	120
Environmental Health	211	0	211	0	182	0	184	187
Laboratory	356	0	356	0	327	0	327	327
Covid-19 Response	122	338	337	463	335	0	336	337
Mental Health	128	0	128	0	95	0	72	73
Support Services	167	0	167	0	75	0	100	100
Learning Disabilities	203	0	203	0	164	0	163	162
Family Centre	164	0	164	0	152	0	154	148
Sheltered Accommodation	246	0	246	0	226	0	200	185
Community Care	1,247	125	1,247	95	1,141	0	1,119	1,118
Outreach Day Care & Occupational Therapy	251	0	251	0	240	0	252	239
Probation Services	13	0	13	0	9	0	10	9
Safe Haven	13	0	13	0	12	0	12	12
Children's Services	222	0	222	0	254	0	256	258
Adult Services	973	0	973	0	971	0	991	988
TOTAL OUTPUTS	9,603	597	11,181	692	8,876	513	8,601	8,567

HEAD 23: HEALTH AND SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Capital 2022/23 £'001	Estimate Recurrent 2023/24 £'001	Estimate Recurrent 2024/25 £'002
REVENUE BY OUTPUT								
Management & Administration	443	0	443	0	0	0	0	0
Local Medical	134	0	134	0	134	0	134	134
Overseas Medical	15	0	15	0	15	0	15	15
Hospital/Acute Care	31	0	31	0	31	0	31	31
Dental	31	0	31	0	33	0	34	34
Environmental Health	9	0	9	0	8	0	8	8
Laboratory	39	0	39	0	40	0	40	40
Support Services	167	0	167	0	0	0	0	0
Family Centre	5	0	0	0	5	0	5	5
Sheltered Accommodation	14	0	14	0	14	0	14	14
Community Care	94	0	94	0	94	0	94	94
TOTAL REVENUE	982	0	977	0	374	0	375	375
NET EXPENDITURE (REVENUE)	8,621	597	10,204	692	8,502	513	8,226	8,192

Note:

1. Included in the Total Outputs is an amount of £573k which is recharges between Heads of expenditure and Trading Accounts.
2. Included in Overseas Medical Output above is £200k for Aero Medical Evacuation and £1,500k for Overseas Medical Treatment.

HEAD 26

ENVIRONMENT, NATURAL RESOURCES
AND PLANNING

ACCOUNTING OFFICER:
PORTFOLIO DIRECTOR
ENVIRONMENT, NATURAL RESOURCES
& PLANNING

Overview

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.

The Portfolio has six Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

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.

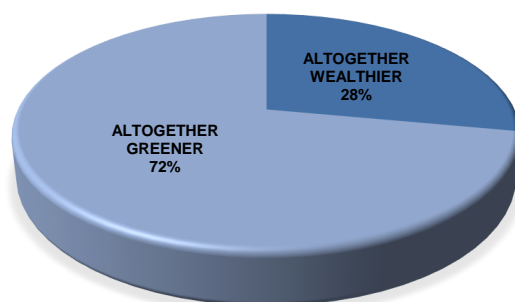
Priority 4 - Reduce the economic and environmental impact of invasive species.

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.

Contribution towards achieving the National Goals for St Helena 2022/23	£'000
Altogether Greener	1,201
Altogether Wealthier	466
	<u>1,667</u>

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Deliverables

A new Environmental Strategy will be in place providing guidance and prioritisation of environmental objectives and targets and directing environmental resources. The provision of technical support will have enabled the establishment of environmental policies and regulation and strengthened environmental protection. Marine Management and Risk Management teams will be delivering robust environmental monitoring, compliance and enforcement functions.

Implementation and monitoring of policies and the Marine Management Plan will direct priority monitoring and management actions for the marine environment, increasing its value and contribution as a key natural resource for use and enjoyment by Islanders and tourists alike.

The Darwin and CSSF Cloud Forest projects will provide improved knowledge of applied ecology of vegetation succession allowing better scheduling of alien and invasive plant control and restoration techniques.

Policy/Strategy reform for agriculture together with an uplift in agricultural asset investment will enable increased commercial production. The Agricultural Estate policy will improve use and compliance with tenure and stewardship requirements and increase variety, production and consistent availability of local agricultural products.

Our planning and development control system will be reformed and we will be delivering a system that is responsive to client needs, supports and enables appropriate developments, and transparent decision-making through the use of the Environmental Impact Assessment (EIA).

The Biosecurity Invasive Plant program will reduce the impact of invasive plants across the island through improved management of invasive plants on Crown land, upskilling of the Biosecurity team, increased community awareness, improved access to effective identification, surveillance, reporting and tracing systems, increased biosecurity research and implementation of new biosecurity legislation.

Summary of Budgeted Expenditure and Revenue for 2022/23

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Environment, Natural Resources and Planning	1,667	0	117	(1,550)

HEAD 26: ENVIRONMENT, NATURAL RESOURCES AND PLANNING

Accounting Officer: Portfolio Director Environment Natural Resources & Planning

	Original Recurrent 2021/22 £'000	Original Capital 2021/22 £'000	Revised Recurrent 2021/22 £'000	Revised Capital 2021/22 £'000	Estimate Recurrent 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000
EXPENDITURE BY OUTPUT							
Management & Administration	0	0	0	0	102	100	100
Forestry	263	0	268	0	228	231	228
Fisheries Administration, Protection & Policy Advice	96	0	86	0	91	86	84
Biosecurity Services	63	0	63	0	54	57	56
Agricultural Support	429	0	429	0	368	367	361
Grounds Maintenance	65	0	70	0	62	59	58
Planning & Building Control	150	0	146	0	78	66	85
Upkeep of Public Facilities & Areas	40	0	40	0	37	38	37
Environmental Protection	88	0	78	0	79	79	77
Terrestrial Conservation	152	0	155	0	172	160	160
Marine Conservation	77	0	91	0	80	59	60
Environmental Risk Management	332	0	357	0	316	298	292
Landscape Ecology Mitigation Programme	38	0	10	0	0	0	0
TOTAL OUTPUTS	1,793	0	1,793	0	1,667	1,600	1,598
REVENUE BY OUTPUT							
Forestry	16	0	16	0	17	17	19
Fisheries Administration, Protection & Policy Advice	25	0	25	0	25	25	25
Agricultural Support	37	0	37	0	45	32	32
Environmental Risk Management	10	0	10	0	10	10	10
Planning & Building Control	18	0	18	0	20	21	22
TOTAL REVENUE	106	0	106	0	117	105	108
NET EXPENDITURE (REVENUE)	1,687	0	1,687	0	1,550	1,495	1,490

Note:

1. Included in the Total Outputs is an amount of £323k which is recharges between Heads of expenditure and Trading Accounts.
2. Appropriated under Head 26 is a new Output called Management and Administration.

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 2022/23 £'000	Expenditure 2022/23 £'000	Surplus /(Deficit) 2022/23 £'000	Revenue 2023/24 £'000	Expenditure 2023/24 £'000	Surplus /(Deficit) 2023/24 £'000	Revenue 2024/25 £'000	Expenditure 2024/25 £'000	Surplus /(Deficit) 2024/25 £'000	Accounting Officer
TRADING ACTIVITIES										
Transport	981	971	10	980	963	17	981	964	17	Senior Transport Manager
Information Technology	1,364	1,196	168	1,403	1,204	199	1,426	1,213	213	IT Section Manager
Housing Service	389	376	13	389	370	19	389	370	19	Head of Infrastructure
St Helena Audit Service	351	410	(59)	368	414	(46)	365	377	(12)	Chief Auditor
Internal Audit Service	60	60	0	60	60	0	60	60	0	Group Head of Internal Audit and Risk
TOTALS	3,145	3,013	132	3,200	3,011	189	3,221	2,984	237	

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