



St Helena
Government

ST HELENA GOVERNMENT
ESTIMATES OF RECURRENT AND CAPITAL
EXPENDITURE AND REVENUE
2024/25 – 2026/27

Laid upon the Table 03 June 2024



GOVERNMENT OF ST HELENA

ESTIMATES OF RECURRENT AND CAPITAL EXPENDITURE AND REVENUE

2024/25 — 2026/27

Key

-	Nil
0	Not nil, but rounds to zero.
*	The nature of the measure is such that a reliable estimate cannot be provided
n/a	Not applicable, not available
nfp	Not for publication
£	St Helenian pounds
GBP	UK pounds
\$	US dollars
ZAR	South African Rand

Acronyms

FCDO	UK Foreign, Commonwealth and Development Office
GDP	Gross Domestic Product
GNI	Gross National Income
IMF	International Monetary Fund
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
SHG	St Helena Government
UK	United Kingdom
US	United States

Definitions

Nominal	Not adjusted for inflation, original prices
Real	Adjusted for inflation

Notes

Numbers in tables may not add due to rounding or because of nfp items.

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THE GOVERNMENT'S VISION

The 2024/25 Budget is the third budget since the commencement of the ministerial system in St Helena.

In last year's budget, the government outlined its vision for St Helena.

That vision is **to enable St Helena's people to build their own futures and create their own opportunities, while not leaving anyone behind.**

Delivering this vision for St Helena is the highest priority of the government, and has informed the decisions presented in the 2024/25 Budget.

In addition to the decisions presented in this Budget, in 2024/25 the government will pursue the following areas of reform.

Economic development

The government aims to **create an enabling environment** that allows people and businesses to thrive, **preserve what makes St Helena unique**, and **improve how SHG delivers as a government** to ensure that essential services to support the island's community and society can be sustainably delivered into the future.

The Sustainable Economic Development Strategy contains six key goals:

- 1: **An open and accessible island** — Open and accessible for people and culture, capital and finance
- 2: **A productive island** — Increase productivity, labour force participation, and capital investment
- 3: **A breath of fresh air** — Preserve and celebrate what makes us unique
- 4: **A united island** — Ensure everyone shares in the benefit
- 5: **Effective infrastructure** — Growth is supported by better infrastructure
- 6: **Better government** — Make St Helena Government a facilitator of business

The Economic Development Portfolio is leading implementation of the Sustainable Economic Development Strategy.

Immigration reforms

The island has an aging population and a declining working age population. Put simply, **the declining population and increasing age dependency ratio poses a threat to the current economic, social and cultural structure of the island.** If current trends continue, the island will not have sufficient economic autonomy to continue determine its own future.

The government has released an Immigration Policy Paper for public information. That paper proposes options designed to facilitate population growth by reforming the current immigration system.

Better prioritisation and budgeting

The government will soon adopt **a new Outcome Framework to better prioritise the allocation of resources to the government's strategic priorities.** It is anticipated the Outcome Framework will begin to be implemented during the first half of 2024/25.

The new framework will build upon other ongoing reforms to the budget process and presentation that **provide greater clarity about how the government is managing SHG's scarce resources.**

Tax reform

Consistent with the government's vision to create an enabling environment, the government will review the island's current tax and import duty arrangements to **ensure that they are not providing a disincentive for people to work and invest** on the island.

The government will seek to **reduce the burden of taxation and import duty** overall where this can be done **in a financially sustainable way.**

Improved governance

As the first Executive Council under the new ministerial system of government, this government has identified areas where **internal processes can be improved, lines of accountability can be clearer, and the public service can be more responsive.**

The government will soon be introducing improvements to internal government processes to better provide for ministerial decision-making and oversight.

PART 1: ECONOMIC OUTLOOK

The 2024/25 St Helena Government (SHG) Budget has been formulated against the following economic backdrop.

Global outlook

The global economy has stabilised somewhat since the COVID-19 pandemic and Russia's illegal invasion of Ukraine disturbed global supply chains and caused a spike in global inflationary pressures.

The global economic outlook is reasonably stable, however, new risks are emerging from conflicts and international security tensions. In particular, shipping through the Suez Cannel has been disrupted by conflicts and security concerns in the Red Sea area, which has effected global trade and commerce.

Global growth

Overall, the outlook for global growth appears more positive and less volatile than at the time of the 2023/24 Budget, although new risks are emerging.

Table 1 shows the most recent global economic forecasts by the IMF and the OECD.

Table 1: Global growth forecasts (real GDP)

	2023 Estimated %	2024 Forecast %	2025 Forecast %	2026 Forecast %
Global				
IMF	3.0	2.9	3.2	3.2
OECD	3.1	2.9	3.0	n/a

Period: Calendar year.

Source: IMF, *World Economic Outlook*, database, October 2023; OECD, *OECD Economic Outlook: Interim Report*, February 2024.

Global growth forecasts have largely returned to trend, and the effects of the COVID-19 pandemic have largely dissipated. Disturbances in national banking systems have not persisted, and global monetary and financial systems appear to be stable.

Sustained insecurity in the Suez Cannel area, however, has disrupted global trade and may further deteriorate the economic outlook in the medium-term. Upcoming elections in the UK and the US may also cause some volatility in global confidence.

Global inflation

While global inflation still remains high, inflation pressures have moderated due to monetary policy tightening by major central banks around the world.

Official forecasts for inflation in St Helena's main trading partners — the UK and South Africa — are trending toward the target rate of inflation in each of those countries.

Table 2: Global, OECD, UK and South African inflation forecasts

	2023 Estimate Per cent	2024 Forecast Per cent	2025 Forecast Per cent	2026 Forecast Per cent
Global	6.4	5.1	4.5	4.0
UK	4.2	2.7	2.5	2.0
South Africa	5.9	5.0	4.6	4.5

Period: Calendar year.

Source: IMF, *World Economic Outlook*, database, October 2023; Bank of England, *Monetary Policy Report*, February 2024; South African Reserve Bank, *Statement of the Monetary Policy Committee*, January 2024.

While inflation has somewhat dissipated as an economic risk, with the adjustment to more normal (relative to the post-Global Financial Crisis period) monetary policy the effects of more expensive credit and adjustments in asset prices may have some way to go.

Outlook for St Helena

On St Helena, challenges associated with air and sea access and a declining resident population have caused economic activity to be more subdued in 2023/24 than initially expected. Looking forward to 2024/25, new shipping arrangements, more frequent air services, and greater utilisation of internet services following the connection of the Equiano optical fibre cable are expected to support sustained, but modest, economic growth on St Helena.

Offsetting these positive influences, the island's aging and declining resident population is increasingly affecting the island's economic outlook; with the effects now being observed in the short-term. The decision by the Utilities Regulatory Authority in December 2023 to allow increases to energy and water prices levied by Connect Saint Helena Ltd for the period 01 January 2024 to 30 June 2024 — while reducing the pressure on the subsidy provided by SHG — has resulted in higher prices for businesses and consumers.

Any disruptions to global shipping will inevitably be felt more acutely on St Helena, as its long and thin logistics chain is more susceptible to disruptions to trade than other countries. While historically, St Helena was a strategic port for global shipping prior to the Suez Cannel opening, any rerouting of global shipping to the Cape Route due to security concerns is not expected to have any material impact on St Helena as the island does not have the infrastructure to support merchant shipping. Nonetheless, there may be a small increase in visits of pleasure craft and specialist vessels.

On 31 March 2023, S&P Global Ratings reaffirmed St Helena's long term rating as 'BBB-' and its short term rating as 'A-3.' S&P Global Ratings also kept St Helena's outlook as 'stable.' These ratings show that St Helena continues to be a safe and predictable environment to invest.

Economic activity

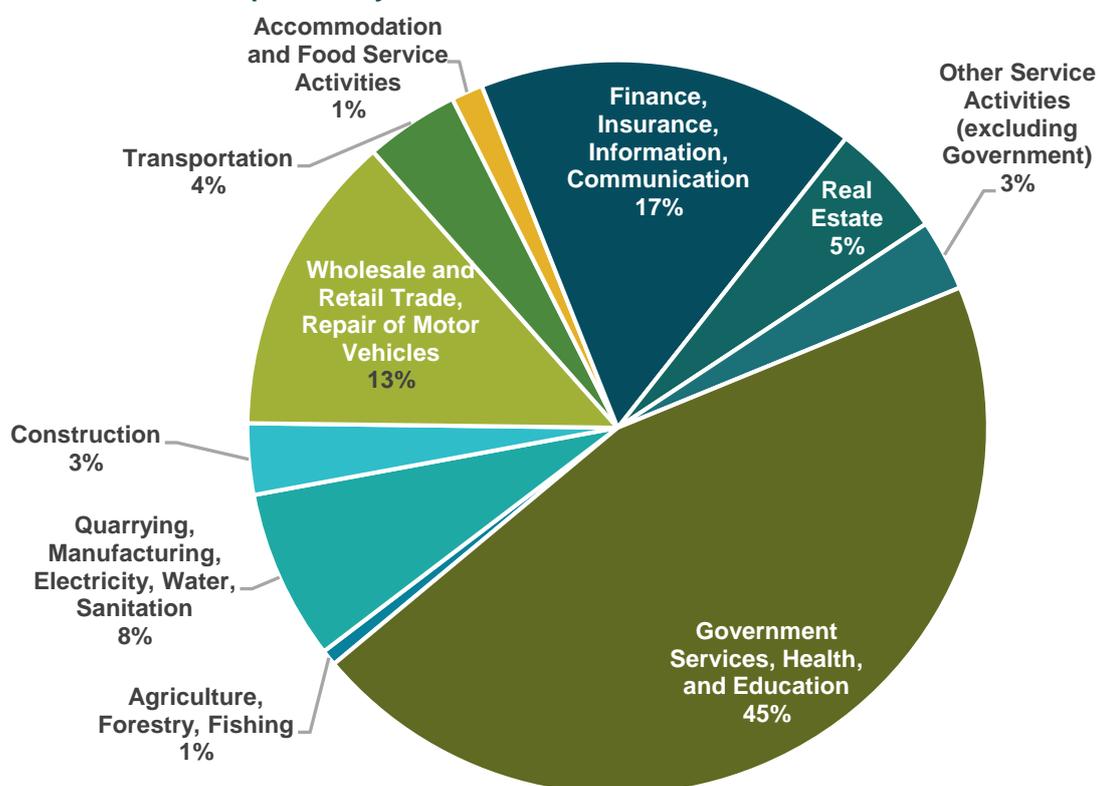
The government recognises that Gross Domestic Product (GDP) provides only a limited measure of the economic, social and environmental progress of the island, and that its measurement is challenging on St Helena due to the volatile nature of some of the underlying data. Nonetheless, recent GDP data does provide an insight to the structure of the St Helenian economy.

In 2021/22, the last year for which data is available, total value added on St Helena was £39.2 million.

The overall amount of value added from economic activity on St Helena, as measured by Gross Domestic Product (GDP), has remained relatively stable over the last few years.

Chart 1 shows the composition of St Helena's GDP in 2021/22.

Chart 1: Gross domestic product by sector



Note: 2021/22 data.
Period: April to March.
Source: St Helena Statistics Office.

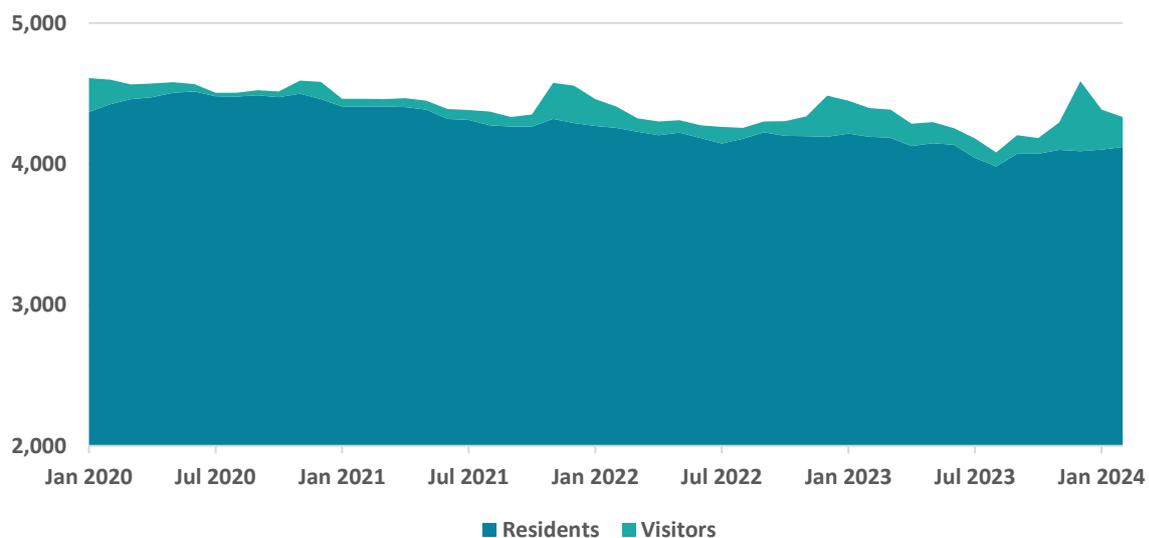
Chart 1 shows that the government, health and education sector remains, by far, the dominant contributor to economic activity on the Island. Tourism-related sectors, such as accommodation and food service activities, and transportation, make only small contributions of 1% and 4% respectively. The contribution of agriculture, forestry and fishing is the smallest of all sectors, at less than 1 per cent.

If the recent trend of population decreases continues, any real GDP per capita growth is likely to be slightly stronger than any real GDP growth, as the total amount of value added on the island will be spread across a smaller population. This may result in a higher GDP per capita, despite overall GDP being stagnant.

Resident population

Maintaining the Island's population is an increasingly critical challenge for St Helena. Chart 2 shows the change in the resident and visitor population of St Helena from January 2020 to February 2024.

Chart 2: Island resident and visitor population (January 2021 to February 2024)



Source: St Helena Statistics Office.

In January 2023, the Island's resident population was 4,215. By January 2024, the resident population had declined to 4,101. During 2023, there were 59 deaths recorded on St Helena, but only 12 births. Outward migration also remains a challenge for the island, as young people, in particular, migrate abroad for better work and lifestyle opportunities. During 2023, departures of residents exceeded arrivals of residents by 60.

The working age population (residents between 15 and 64 years) has fallen in the last years from 2,529 in January 2023 to 2,425 in January 2024. Over the same period, the old age dependency ratio (the ratio of the number of residents of working age to the number of residents 65 years and older) increased from about 45 to about 47.

Inflation

Due to its high reliance on imports — particularly food, consumer goods and fuel — St Helena is particularly exposed to global inflation pressures.

Table 3 shows the forecast Retail Price Index (RPI) inflation for St Helena in 2024/25.

Table 3: Inflation (2024/25 to 2026/27)

	2023/24 Estimated	2024/25 Forecast	2025/26 Planning assumption	2026/27 Planning assumption
	%	%	%	%
Retail Price Index	0	4	3 ½	3 ¼

Period: April to March.

The estimated rate of inflation for 2023/24 is 0%. This reflects a substantial decline in the price of telecommunications on the island following the connection of the Equiano optical fibre cable to the island's existing copper wire network and the associated decline in prices of communications services offered by Sure. As the decline in communications prices, when measured by the RPI, incorporates the increase in the quality of the offering, not only the price charged, consumers' bills will have not fallen to the same extent.

The government has forecasted an increase in the RPI of 4% in 2024/25.

SHG has negotiated a new shipping service that commenced in March 2024, and the Rupert's Port facilities will become operational towards the end of 2024. These developments may reduce the overall cost of imports to the island, and therefore reduce prices, in the medium-term.

The government has made a planning assumption that inflation will be about 3 ½% in 2025/26, and a little lower in 2026/27.

Exchange rates

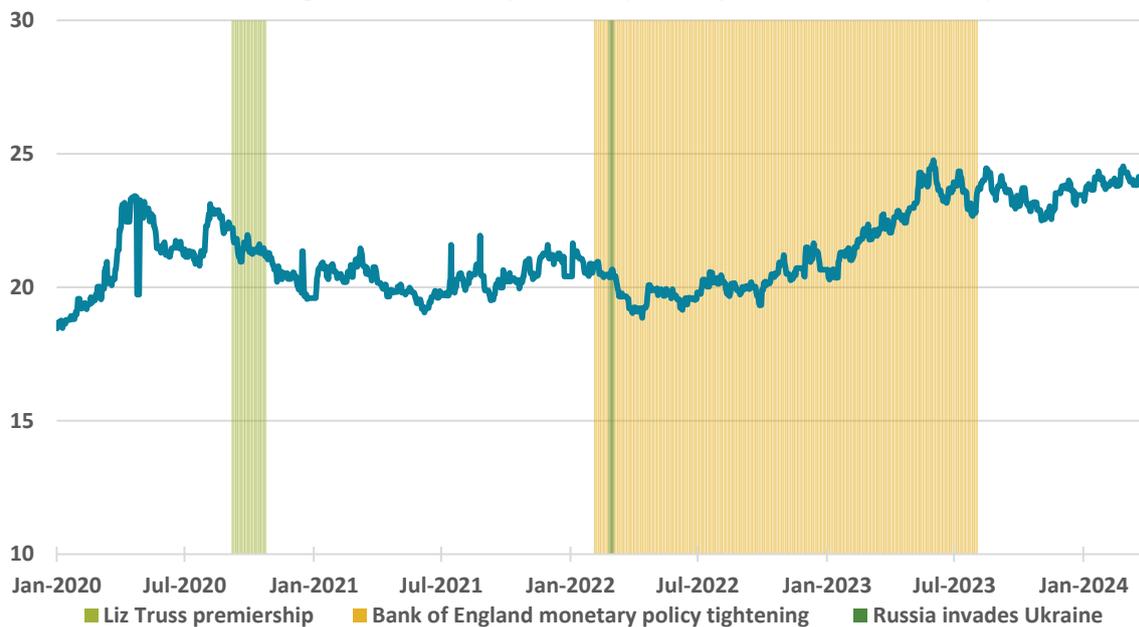
As an economy highly dependent on imports, movements in exchange rates can have a significant impact on the St Helenian economy.

Under St Helena's Currency Fund arrangement, the St Helenian pound (£) is pegged at a fixed 1-to-1 exchange rate with the UK pound (GBP); meaning that there is no movement in the rate of exchange between the £ and the GBP. St Helena, however, is exposed to exchange rate movements faced by the GBP, which can affect the island's purchasing power and the value of its exports.

With a large proportion of St Helena's imports originating from South Africa, the exchange rate between the GBP and the South African Rand (ZAR) is of particular importance to the island. Despite the clear impact exchange rate movements can have on prices faced on the island, exchange rate movements are inherently difficult to predict and are not incorporated into the inflation forecasts; although the government does monitor exchange rate developments closely.

Chart 3 shows recent development in the exchange rate between the GBP and the ZAR.

Chart 3: Historic exchange rates — ZAR per GBP (January 2020 to March 2023)



Source: IMF.

The GBP has generally appreciated against the ZAR from early 2022 to early 2024. This coincides with a period of monetary policy tightening by the Bank of England, which ceased in August 2023.

Outlook for specific sectors

The outlook for several sectors of the St Helenian economy are of particular importance.

Tourism

Tourism remains a small, but important part of St Helena’s economy.

The tourism industry declined when COVID-19 severely limited international access to St Helena between 2020 and 2022. In August 2022, St Helena lifted travel restrictions and weekly flights recommenced. Key hospitality services reopened from October 2022.

From 28 November 2023 to the end of February 2024, two flights a week operated out of OR Tambo Airport, Johannesburg.

In October 2022, the government agreed to a Tourism Recovery Strategy that aimed to increase visitor numbers in 2024/25 to the levels experienced in the 2019/20 season. At the end of 2022/23 tourist season, June 2023, visitor numbers had returned to 83% of that level, and by the end of 2023 visitor numbers were at 86% of that level.

Going forward, on island capacity limitations such as accommodation capacity, shortage of hospitality staff and hire cars, and the small number of local tour operators, will constrain tourism's growth in the short-term.

Flights to and from Cape Town are confirmed for the 2024/25 tourist season. This will provide both Johannesburg and Cape Town as travel hubs for four months, enabling popular twin centre holidays with St Helena and Southern Africa.

Agriculture, forestry and fishing

The most recent GDP data available shows that the agriculture, forestry and fishing sector makes up only a small portion (only about 0.7% in 2021/22) of the economic activity on the island. Looking forward, this sector's contribution to economic activity on the island in 2024/25 is expected to remain small.

The fishing industry remains stagnant, and the island's overall catch remains well below the available quota. Some capital investment in additional processing capacity is occurring.

No substantial changes to the agriculture or forestry sectors are expected during 2024/25; meaning that their economic contributions are likely to remain similar to that of recent years.

Communications

Communications on the island have been transformed by the connection of the Equiano optical fibre cable to the island's local copper network in October 2023.

As a consequence of the cable becoming live, the packages offered by Sure have both reduced in price, and improved in terms of speed and data capacity. Households and businesses now spend less on telecommunication but receive more capacity at higher speeds.

While service have improved, the contribution of communications to GDP may, in fact, decline, as the value of what is produced (when measured by the overall expenditure on communications) may decline. Any effect would be a one-off, and merely reflect a structural change in the communications industry in St Helena.

Financial services

Further work is required to ensure the island's financial system provides the banking services necessary to support sustained economic development and to improve the efficiency of its economy. Areas requiring a better service offering include access to credit, payment systems, and affordable international transfers.

SHG is working closely with the Bank of St Helena to ensure that its business model is sustainable into the future, and ensure its service offering meets the needs of St Helenian residents.

Various island businesses now have electronic payment terminals that are connected to the two major international credit card networks: Visa and MasterCard.

Internationally, and particularly during the COVID-19 pandemic, the shift to electronic transitions has been profound, and it is expected that the uptake of electronic payments for day-to-day transactions will accelerate on the island in the coming years. However, significant expansion of electronic payments in St Helena will require additional banking services not readily available on the island; in particular, card-linked local accounts.

SHG continues to promote the island as a destination for FinTech, with work continuing on exploring a framework to register decentralised autonomous organisations (DAOs) in St Helena.

Retail, warehousing and logistics

Retail and logistics businesses appear to have suffered somewhat under the interim shipping service that operated during 2023/24.

The less frequent voyages appear to have resulted in extended periods during which retailers have had limited stocks of certain products, even though wholesale businesses' storage was at capacity. Airfreight is being used to supplement the supply by sea of certain goods on island, although the volumes that can be airfreighted remains low and airfreighted goods are typically more expensive.

Some retail businesses have moved to reduced trading hours, or ceased trading entirely.

Stable access by air and sea, the completion of Field Road and swift commencement of operations of the Rupert's Port facilities will assist the retail, warehousing and logistics industries in 2024/25.

PART 2: BUDGET OUTLOOK

St Helena has an underdeveloped economy with a narrow revenue base. It remains highly reliant upon recurrent budgetary support from the UK, which is budgeted to make up 70% of SHG's total revenues in 2024/25; the remainder being provided by revenues raised on-island (local revenues).

The budget balance

The government's fiscal strategy is aimed at maintaining a balanced budgetary position while using the general reserve in the Consolidated Fund to manage short-term variations in payments and receipts. The government does not utilise deficit financing.

In any one year, however, the net amount contributed (or withdrawn) from the general reserve reflects the overall balance of the budget in that year.

Table 4 shows the forecast net contribution to the general reserve of the Consolidated Fund for 2024/25, and the projected net contribution in 2025/26 and 2026/27.

Table 4: Net contribution to the general reserve of the Consolidated Fund

	2023/24 Estimated outturn £'000	2024/25 Forecast £'000	2025/26 Projection £'000	2026/27 Projection £'000
Net amount contributed to the general reserve of the Consolidated Fund	-1,836	-103	0	0

Table 4 shows that during the 2023/24 SHG's payments exceeded receipts by £1.8 million; a negative net contribution to the general reserve.

The outturn for 2024/25 will depend upon developments during the year, including any expenditure pressures, changes in revenue receipts, and the administrative and policy decisions made during the year that affect receipts and payments.

Local revenues

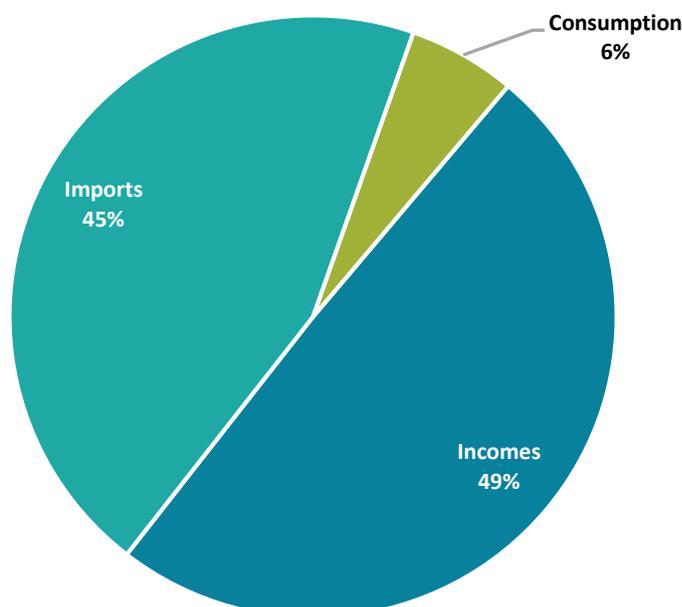
Local revenues are comprised of taxation and non-taxation receipts.

Taxation receipts

In 2024/25, tax receipts will contribute 83% of local revenues.

Legally, St Helena's taxes are mostly levied on incomes and imports. A relatively small portion of the tax effort is borne by taxes on specific types of consumption. St Helena does not impose any tax on land.

Chart 4: Tax revenues by source (2024/25)



The legal incidence, or burden, of St Helena’s current tax arrangements are unlikely to reflect the true economic incidence of the current tax arrangements. For example, taxes on imports will inevitably be felt as either:

- higher prices for consumers, and therefore effectively as a tax on incomes; or
- as higher input costs to businesses, and therefore effectively as a tax on capital investment.

Taxes on income

Total taxes on incomes are forecast to contribute £5.9 million to SHG in 2024/25.

Table 5: Forecasts and planned income tax receipts (2024/25 to 2026/27)

	2023/24 Estimated outturn £'000	2024/25 Forecast £'000	2025/26 Planning assumption £'000	2026/27 Planning assumption £'000
PAYE	4,752	4,680	4,750	4,900
Self Employed	281	270	280	290
Corporation tax	1,097	960	980	1,000
Withholding tax	29	27	28	29
Total	6,159	5,937	6,038	6,219

Period: April to March.

Taxes on income have generally exceeded forecasts in the last few months of 2023/24. The forecasts for 2024/25, however, are based on longer-term trends, and are somewhat conservative relative to the estimated outturn position for 2023/24.

PAYE forecasts are based around an expected growth in nominal median wages of about 2%, increases to pay levels for low paid grades of public servants flowing from

the increase in the minimum wage, and more employees earning above the tax allowance of £7,000 and moving into the tax system.

Self-employed income tax receipts and corporation tax are expected to move upward in line with PAYE receipts.

Withholding tax is assumed to increase in line with inflation; reflecting a slight growth in deposits.

Taxes on imports

St Helena levies import duties on most goods that are imported. Rates are set either as a percentage of the value of the good being imported, known as an *ad valorem* duty, or as a specific rate that attaches to a particular good, known as a specific duty.

Duties on imports are forecast to contribute £5.4 million to local revenue in 2024/25.

Table 6: Forecasts and planned customs duty receipts (2024/25 to 2026/27)

	2023/24 Estimated outturn £'000	2024/25 Forecast £'000	2025/26 Planning assumption £'000	2026/27 Planning assumption £'000
Customs — other				
<i>Ad valorem</i>	<i>n.a.</i>	2,530	2,630	2,730
Vehicles	<i>n.a.</i>	180	180	180
Total	1,868	2,710	2,810	2,910
Customs — alcohol	1,124	1,200	950	980
Customs — tobacco	1,147	700	470	500
Customs — petrol	275	290	290	290
Customs — diesel	471	460	460	460
Total	4,885	5,360	4,980	5,140

Period: April to March.

Ad valorem import duty rate are generally set at 20% although for some goods, such as certain foods, a rate of 5% is set. No duty is imposed on certain imported goods; either because of the essential nature of those goods, or because the person importing the goods is not liable to pay duty on imports in certain circumstances.

The forecast of *ad valorem* import duty for 2024/25 is based on an assumption that import volumes will rebound because of the increased frequency of voyages under the new shipping service.

For most vehicles, St Helena levies a flat rate of duty based on the level of carbon dioxide (CO₂) emissions of the vehicle. Duty receipts from vehicle imports are expected to remain constant in 2024/25, as both the quantity and CO₂ emissions composition of vehicle imports are expected to remain largely constant.

The timing of ship voyages and the ordering behaviour of merchants appear to have affected the estimated outturn position for both alcohol and tobacco import duty receipts for 2023/24. Specifically, after a period of low volumes, quantities imported in the final months of 2023/24 rebounded somewhat.

For import duty from alcohol, receipts are forecast to increase modestly in 2024/25 in line with long-term trends. This reflects the decision of the government to increase import duty on alcohol in 2024/25 by the rate of inflation experienced in the year ending 31 December 2023 plus 1 per cent, and an assumption that alcohol import quantities will remain constant.

For import duty from tobacco, receipts are forecast to be lower in 2024/25. Despite the government’s decision to increase the rate of duty on tobacco by the rate of inflation experienced in the year ending 31 December 2023 plus 2 per cent, the recent decline in the rate of smoking on St Helena is expected to result in lower quantities of tobacco being imported. Revenue leakage due to smokers moving to “vaping” is also believed to be occurring, and is expected to increase in future years.

For both petrol and diesel, it is assumed that the same quantity of each will be imported in 2024/25 as in 2023/24. As the rate of duty on both diesel and petrol is set at a specific rate per litre, it is assumed that import duty receipts for each will remain constant at £0.39 per litre.

Taxes on consumption

Taxes on consumption are forecast to contribute £0.7 million to SHG in 2024/25.

Table 7: Forecasts and planned receipts from taxes on consumption (2024/25 to 2026/27)

	2023/24 Estimated outturn £'000	2024/25 Forecast £'000	2025/26 Planning assumption £'000	2026/27 Planning assumption £'000
Liquor duty	6	20	20	20
Excise duty	303	240	220	210
Services tax	582	450	450	450
Total	891	710	690	680

Period: April to March.

Receipts from duty on locally produced liquor are somewhat uncertain, as the response by the local industry to the government’s decision to phase in the increase in rates cannot be predicted. The forecast for 2024/25 is based on the local industry returning to long-run production volumes under the phased increase in taxation on locally produced alcohol announced in this budget.

The quantity of goods that are subject to excise duty, such as foods containing added sugar, polystyrene packaging and single-use plastic bags, being imported is expected to continue to decline, leading to a reduction in forecast excise revenue.

Due to the impact of the changes to telecommunications offerings by Sure following the connection of the Equiano optical fibre cable, overall expenditure on telecommunications is expected to fall substantially. This will reduce the overall amount of services tax collected, but the exact magnitude of this effect is highly uncertain at this stage.

Non-taxation receipts

Non-taxation receipts are forecast to contribute £2.4 million to local revenue in 2024/25.

Table 8: Forecasts and planned non-taxation receipts (2024/25 to 2026/27)

	2023/24 Estimated Outturn £'000	2024/25 Forecast £'000	2025/26 Planning assumption £'000	2026/27 Planning assumption £'000
Duty and licences	278	239	239	239
Fees and fines	606	566	579	583
Government rents	339	318	318	319
Earnings of portfolios	52	48	50	50
Income received	540	698	448	447
Treasury receipts	689	531	281	281
Total	2,504	2,400	1,915	1,919

Period: April to March.

In 2023/24, a review of SHG's internal guidance on cost recovery and fee charging commenced and revised guidelines were provided (in draft form) to portfolios to assist in establishing a proper basis for the setting of fees and charges for the 2024/25 year and onwards. Additionally, the Treasury commenced work to centralise annual reviews of fees and charges. At the beginning of 2024/25, no SHG fees, fines or charges have yet been increased.

In 2024/25, the government will continue to review its non-tax revenue arrangements. It will do so by formally endorsing revised cost recovery and fee charging guidelines, and undertaking centralised reviews of fees and charges across portfolios to ensure consistency, transparency and simplicity. It will do this while ensuring that fees for services continue to be priced in a way that ensures services remain accessible for all residents.

Official Development Aid receipts

Official Development Assistance (ODA) is available to jurisdictions that have a Gross National Income (GNI) per capita below the OECD's aid threshold. In 2021/21 (the last year for which data is available), the OECD's aid threshold was \$13,205, which was above St Helena's GNI per capita of \$12,120 (£8,870). St Helena, therefore, is eligible to receive ODA from donor nations.

In 2024/25, it is forecast that St Helena will only receive ODA from the UK.

United Kingdom Financial Aid Mission aid settlement

The government and the UK's Foreign, Commonwealth and Development Office (FCDO) have agreed an aid settlement for the financial year 2024/25 following the Financial Aid Mission (FAM).

The aid settlement will see £34.1 million made available to St Helena in 2024-25.

Table 9: Composition of the 2024/25 aid settlement

	2023/24 Estimated Outturn £'000	2024/25 Forecast £'000	2025/26 Planning assumption £'000	2026/27 Planning assumption £'000
Core Financial Aid	27,861	28,685	28,594	28,052
Ring-fenced contingency	1,704	1,204	-	-
Ring-fenced Tourism Development Fund	471	500	-	-
Police operational costs (St Helena)	-	676	647	689
Core Financial Aid	30,036	31,065	29,241	28,714
Operational costs St Helena Airport Limited	2,995	2,995	2,995	2,995
Total Financial Aid Package	33,031	34,060	32,236	31,736

The 2023/24 FAM settlement included a contingent component of £1.7 million that would only be made available if certain circumstances arose. The full amount of that contingency was drawn in 2023/24.

An underspend of £29,100 occurred in the Tourism Development Fund in 2023/24; meaning the entire £500,000 available was not drawn.

For 2024/25, the government has recognised the contingent component immediately as a forecast revenue receipt, rather than when the circumstances in which the funds can be utilised. Whether this practice continues in future years is not certain, and nothing has, therefore, been recognised in the 2025/26 or 2026/27 years.

From 2024/25, funding for police operations on St Helena are provided for as a separate line item in the aid settlement; reflecting that policing reports directly to the Governor.

United Kingdom Economic Development Investment Programme

The UK's Economic Development Investment Programme (EDIP) is expected to deliver a further £19.2 million until 2026, with an indicative budget of £4.0 million for 2024/25 however, the timing of receipts is subject to various factors, including project milestones being met.

Other aid programmes

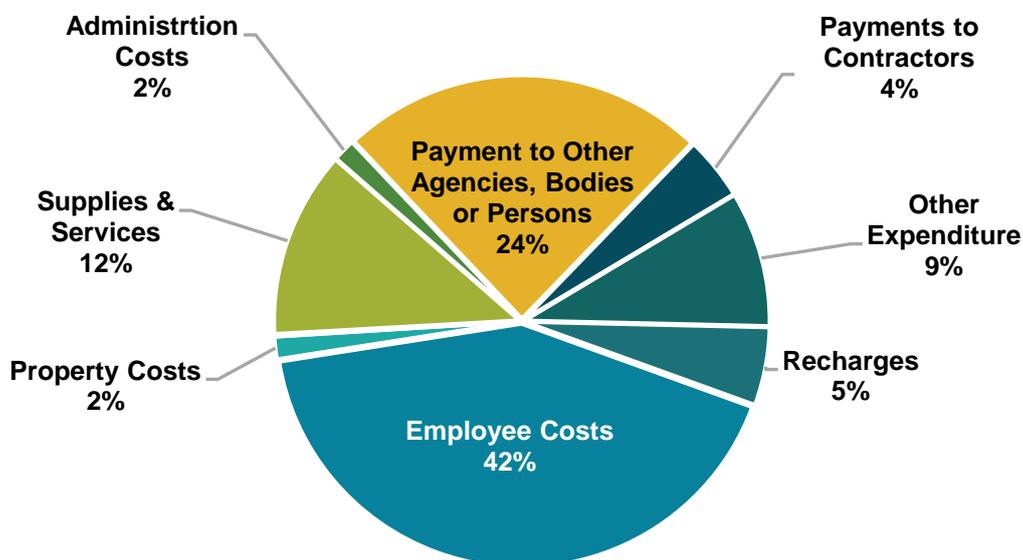
St Helena benefits from other aid programmes designed to address specific concerns or needs in recipient jurisdictions (examples include the UK's Integrated Security Fund, International Programme, and Darwin Plus). Often the opportunity to benefit from such programmes arises during the year, and any receipts from such programmes are difficult to forecast, have strict eligibility criteria and often focus on thematic specific areas.

In 2024/25, St Helena will also receive £1.0 million under the UK's Essential Equipment Programme.

Payments

In 2024/25, SHG expects to pay £49.0 million to deliver, or support the delivery of, a range of services across the island.

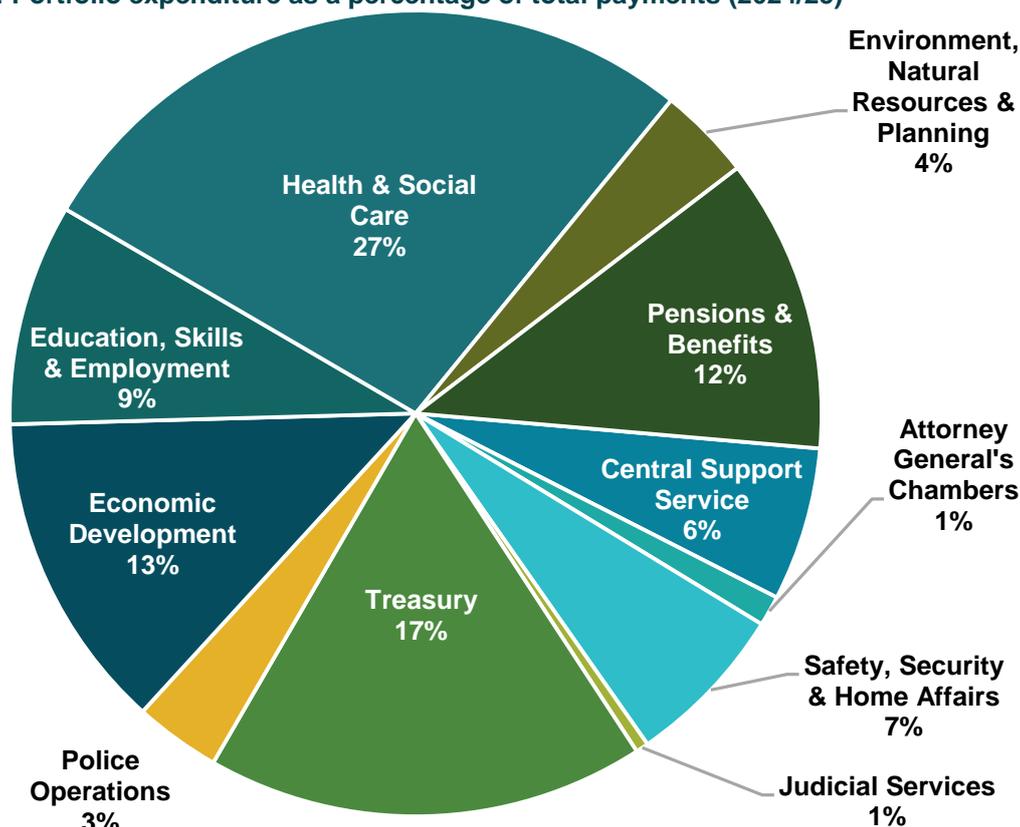
Chart 5: Payments by type (2024/25)



As shown in Chart 5, SHG's expenditure is dominated by employee costs, which represents 43% of total expenditure.

Chart 6 shows portfolio expenditure as a percentage of total recurrent payments with Technical Cooperation (TC) Programme posts notionally allocation to the head of expenditure to which specific TC posts most closely align functionally.

Chart 6: Portfolio expenditure as a percentage of total payments (2024/25)



Note: Incorporates notional functional allocation of TC posts.

Chart 6 shows that the Health & Social Care Portfolio, when TC posts are included, is the largest area of expenditure for the government and 27%. Expenditure by the Treasury is also significant, at 17% of total payments, as it holds the budget for many central government expenditures like grants and subsidies.

Changes in payments

The following significant changes have occurred, or are expected to occur, in the payments made by SHG.

Savings from revised telecommunications arrangements

On 1 October 2023, Sure commenced providing island internet users with access to the Equiano optical fibre cable via the island's existing copper-wire data network. Retail consumers also benefited from increased quality in services at substantially lower costs.

SHG also utilises the island's copper-wire data network in certain circumstances, such as where the service location is not readily connectable to the core SHG network or where restricted services, such as access to social media and video conferencing, are a recognised business need.

The effect of the new internet offerings by Sure have resulted in approximately £30,000 annual reduction in payments across SHG.

Impact of minimum wage increases

The government has agreed to increase the minimum wage by £0.35 per hour from 01 July 2024. The effect of this change is that the new minimum wage levels will be:

- £4.00 per hour for all employees having attained the age of 18 years; and
- £3.05 per hour for all employees having attained the age of 16 and 17 years.

The minimum wage applies to all employers on St Helena, including SHG.

The government has committed to increasing rates of pay in the SHG pay spine to maintain differentials between level of pay for all non-executive and non-Technical Cooperation (TC) Programme employees.

Adjusting rate of pay in SHG to reflect the new minimum wage is expected to increase payments by £367,000 in 2024/25.

Capital investment

Capital investment¹ by SHG is dominated by projects funded under the UK-funded Economic Development Investment Programme (EDIP). The current EDIP is scheduled to run until 2027/28, and there is £16.2 million in available funding that has not yet been expended.

In 2024/25, it is expected that around £3.6 million will be expended on capital investment on the island under the EDIP. Notable projects to be funded via EDIP include the continuation and completion of Field Road and Rupert's and the construction of a new prison, along with consultancy services for renewable energy, water and wastewater. It is likely that renewable energy solutions will form part of the suite of projects funded by EDIP in the next few years.

Future-year expenditure is dependent upon the identification and approval of suitable projects and the achievement of milestones within individual projects. SHG seeks to over-programme projects under the EDIP to ensure that there is a pipeline of shovel-ready projects to ensure full utilisation of the funding available under EDIP.

Significant policy decisions of the government

The following part summarises the estimated financial impact on SHG of the significant policy decisions the government has made since the 2023/24 Budget.

Further details of those decisions are at **Annex 1: Details of significant policy decisions**.

1. Payments categorised here as "capital" in nature are payments that result in increased physical capital assets on the Island. It does not include payments that result in an increase in non-physical assets. Whether or not identified payments result in an increase in the assets of the Government, as recognised for accounting purposes, will depend upon various factors, including whether the Government retains control or ownership over any resulting asset.

The impacts shown in this part are expressed on a cash basis and reflect the net impact on the finances of SHG only. They do not include any financial impacts on households or businesses.

Decisions affecting receipts

Since the 2023/24 Budget, the government has made the following significant policy decisions affecting receipts.

Table 10: Summary of policy decisions affecting receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Head 17: Treasury —				
Annual indexation of alcohol and tobacco duty	-	20	20	20
Distribution from the Currency Fund	300	80	-	-
Drawdown of contingent funding from the UK Financial Aid Settlement to provide for unavoidable expenditures	1,704	-	-	-
Drawdown of contingent funding from the UK Financial Aid Settlement to support delivery of strategic policy objectives	-	500	-	-
Introduction of excise on electronic cigarettes and associated fluids	-	*	*	*
Removal of import duty on “zero alcohol” beers and ciders	-	*	*	*
Phased increase in taxation on locally produced alcohol	-	*	*	*
Reduction in rate of import duty on certain heavy vehicles and equipment	-	*	*	*
Recognition of the contingent component of Financial Aid Mission settlement	-	1,204	-	-
Total	2,004	1,804	20	20

Decisions affecting payments

Since the 2023/24 Budget, the government has made the following significant policy decisions affecting payments.

Table 11: Summary of policy decisions affecting payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Multiple heads				
Cuts in administration budgets to reduce costs	-	-288	-186	-186
Head 12:				
Central Support Service —				
Data protection policy and law	-	nfp	-	-
Development of an SHG IT strategy	-	nfp	-	-
Supplementation of the Technical Cooperation Programme	41	-	-	-
Website redesign	-40	33	-	-
Head 14:				
Attorney General's Chambers —				
Additional funding for legal support services	19	-	-	-
Head 15:				
Safety, Security & Home Affairs —				
Additional funding to maintain access to essential immigration systems	-	36	36	36
Additional funding to meet unavoidable cost pressures	102	-	-	-
Rupert's operationalisation	-	100	98	98
Head 16: Judicial Services —				
Additional funding for appellate cases	5	-	-	-
Head 17: Treasury —				
Additional funding for legal costs associated with civil and criminal cases	94	-	-	-
Additional funding to meet the costs of air access	675	-	-	-
Additional funding to maintain critical Treasury systems	-	30	30	30
Exploration of sustainable funding mechanisms for healthcare and pensions	-	nfp	-	-
Freight Transport Subsidy supplementation and continuation	228	200	-	-
Funding for Deputy Chief Executive Officer for the Equality and Human Rights Commission	-	-	19	19

Table 11: Summary of policy decisions affecting payments (continued)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Head 17: Treasury (continued) —				
Funding for specialist legal advice for the Equality and Human Rights Commission	-	20	20	20
Grants for university students	-	10	10	10
Increase in subsidy to St Helena Hotel Development Ltd	-	50	50	50
Reduction in subsidy to Connect Saint Helena	-	-250	-250	-250
Review of the island's tax administration function	-	nfp	-	-
Review of commercial and potentially commercial SHG functions	-	nfp	-	-
Head 19: Economic Development —				
Additional funding to meet increased costs associated with St Helena Airport	-	150	150	150
Financial services and company registry development	-	280	-	-
Shipping contract management	-	nfp	nfp	nfp
Head 22: Education, Skills & Employment —				
Graduate Programme	-	40	40	40
Chromebooks for students at Prince Andrew School	-	-	-	-
Head 23: Health & Social Care —				
Additional funding to meet unmet demand for services	1,830	600	-	-
Commissioning the Hospital Generator project	-7	10	-	-
Installation of closed circuit television (CCTV) at Jamestown Hospital	-	8	-	-
Patient Source upgrade	-	55	-	-
Head 26: Environment, Natural Resources, & Planning —				
Recyclable waste household collection service		28	28	28
Total	2,947	1,112	45	45

PART 3: BUDGETING AND FISCAL MANAGEMENT

This part outlines SHG’s overall approach to fiscal management and describes how monies are made available to parts of the government to enable the delivery of outcomes.

Basis of preparation

The Budget for 2024/25 is cash-based but includes certain principles of accrual budgeting to show some increases and decreases in capital.² The Budget, therefore, does not reflect certain revenues and expenses that would be shown if it were prepared on an accrual basis, such as depreciation and amortisation expense, or revenues associated with the revaluation of assets.

Unlike SHG’s annual financial statements, the whole-of-government budget statements are not consolidated, meaning that they include internal transactions within government (generally referred to as recharges). The whole-of-government budget statements are not, therefore, directly comparable to SHG’s financial statements. The annual financial statements, therefore, includes a reconciliation between the budget statements and financial statements.

Fiscal Strategy

St Helena is a remote, small island developing state (SIDS) with a narrow revenue base and significant expenditure demands driven primarily by an aging and declining population.

SHG is currently reliant upon Official Development Assistance (ODA) for both its recurrent expenditure needs and to support its capital investment programme. The UK is currently the only significant provider of ODA to St Helena.

Further, SHG is not free to borrow otherwise than in accordance with guidelines agreed between SHG and the UK.³ The UK has historically supported the infrastructure needs of the island, somewhat removing the potential utility of debt financing.

The government seeks to manage SHG’s recurrent budget sustainably, while ensuring the island’s capital is improved, liabilities are managed prudently, and revenue and expenditure policies support sustained economic growth.

Structure of the St Helena Government

Diagram 1 shows the structure of SHG, and each Head of Expenditure’s main areas of policy and service delivery responsibility.

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2. Cash accounting shows receipts and payments of cash when they are received or made, regardless of when the underlying economic event relating to those receipts and payments occurs. Accrual accounting shows revenues as they are earned and expenses as they are incurred, regardless of when any cash receipts or payments associated with the revenues and expenses are received or made.
 3. See: *Constitution*, para 112(2)(b).

Diagram 1: Structure of the St Helena Government and Heads of Expenditure



(a) Appropriated by standing appropriations in section 4 of the *Pensions Ordinance 2012* section 16 of the *Social Security Ordinance 2010*.

(b) Independent body but not a distinct head of expenditure, supported by the Central Support Service

(c) Reports directly to the Governor, supported by the Safety, Security & Home Affairs Portfolio.

Special funds

Special funds are established by instruments made under the *Public Finance Ordinance 2010* or by specific legislation. Special funds allow monies to be earmarked for specific purposes and held outside of the Consolidated Fund.

The legislation that establishes a special fund will set out the circumstance in, or purposes for which, monies within the special fund may be withdrawn. Withdrawals from special funds, therefore, do not need to be supported by an appropriation. Special funds, nonetheless, form part of the finances of SHG and contribute to the outcomes being pursued by the government.

There are three broad categories of special funds:

- funds associated with the receipts and management of donated funds intended for developmental projects;
- funds that operate as trading accounts; and
- other funds for special purposes.

The various special funds are summarised in table 12.

Table 12: Summary of special funds

Special fund	Establishment	Purpose
Development projects		
EDF Projects Fund	Special Fund (EDF Projects) Order 2011 made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditure and revenues of projects funded by the European Union's European Development Fund
DFID Funded Projects Fund	Special Fund (DFID Projects) Order 2011, made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditure and revenues of projects funded by the UK Department for International Development (DFID, now FCDO) and which do not meet the purposes of any other special fund
Environmental Management Projects Fund	Special Fund (Environmental Management Projects) Order 2014 made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditure and revenues of projects funded by the UK Department for Environment, Food and Rural Affairs and other environmental agencies
FCO Projects Fund	Special Fund (FCO Projects) Order 2019 made under the <i>Public Finance Ordinance 2010</i>	Manage the income, expenditure, assets and liabilities associated with project funding provided by the Foreign and Commonwealth Office (now the FCDO)
Other Locally Funded Projects Fund	Subsection 5(1) of the <i>Special Funds Ordinance 2012</i>	Finance locally funded development projects
UNDP Projects Fund	Special Fund (UNDP) Order 2011 made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditure and revenues of United Nations Development Programme funded projects

Table 12: Summary of special funds continued

Special fund	Establishment	Purpose
Trading accounts		
Bulk Fuel Installation Trading Account	Special Fund (Bulk Fuel Installation Trading Account) Order 2016 made under the <i>Public Finance Ordinance 2010</i>	Manage the income, expenditure, assets and reserves associated with the operation of the bulk fuel facilities owned by SHG
Housing Service Trading Account	Special Fund (Housing Service Trading Account) Order 2013 made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditures and revenues with respect to the management and maintenance of the Government Landlord Housing stock
Internal Audit Service Trading Account	Special Fund (Internal Audit Service Trading Account) Order 2019 made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditures of, and revenues from charges for services provided by, the SHG Internal Audit Service
IT Trading Account	Special Fund (IT Trading Account) Order 2011 made under the <i>Public Finance Ordinance 2010</i>	Manage the expenditures and expenditures of the IT Section
St Helena Airport Trading Account	Special Fund (St Helena Airport Trading Account) Order 2018 made under the <i>Public Finance Ordinance 2010</i>	Manage the income, expenditure, assets, liabilities and reserves associated with the operation of the St Helena Airport
St Helena Audit Service Trading Account	Special Fund (St Helena Audit Service Trading Account) Order 2013 made under the <i>Public Finance Ordinance 2010</i>	Manage the revenues and expenditures of the St Helena Audit Service
Transport Trading Account	Special Fund (Transport Trading Account) Order 2011, made under the <i>Public Finance Ordinance 2010</i>	Manage the revenues and expenditures of the Transport Section
Other special funds		
Animal Husbandry Fund	Subsection 7(1) of the <i>Pasturage (Government Lands) Ordinance 1938</i>	Receives all monies raised under the ordinance, payments from the fund may be made for activities that improve agricultural land and the breeding of animals
Capital Receipts Fund	Subsection 4(1) of the <i>Special Funds Ordinance 2012</i>	Receives all receipts from the sale or long lease of Crown property (other than Government landlord houses), and payments from the fund may be made for additions, repairs, renewals, renovations and improvements to Crown property
Government Landlord Housing Capital Fund	Subsection 3(1) of the <i>Special Funds Ordinance 2012</i>	Receives sales revenues or long-term lease proceeds from Government Landlord Housing, the fund may be used to finance the construction or purchase of, or major renovations to, social housing

Appropriations

Appropriations are generally made at the portfolio level, although some alternate arrangements are made for specific agencies and items of expenditure.

Appropriations are provided for the provision of 'outputs,' not 'inputs'. That is, the costs of the various types of services provided by each portfolio are shown, rather than line-by-line resources that are inputted into each portfolio.

This approach means that there is flexibility about what inputs may be used to provide for each output, and provides Portfolio Directors and Accounting Officers flexibility as to how they use monies appropriated in delivering outcomes.

Recurrent appropriations

The Appropriation Bill 2024 proposes to appropriate amounts for recurrent expenditure to:

- each of the five portfolios;
- the Treasury;
- the Central Support Service;
- Police Operations;
- the Attorney General's Chambers; and
- Judicial Services.

The total amount proposed to be appropriated for recurrent expenditure is £41.4 million.

An additional £5.7 million in recurrent expenditure related to pensions and benefits is expected to be made available via the standing appropriations in section 4 of the *Pensions Ordinance 2012* section 16 of the *Social Security Ordinance 2010*.

Capital appropriations

The Appropriation Bill 2024 proposes to appropriate amounts for capital expenditure to the following portfolios:

- Safety, Security & Home Affairs;
- Economic Development; and
- Health and Social Care.

The total amount proposed to be appropriated for capital expenditure via the Appropriation (2024-2025) Bill is £0.4 million.

Medium-Term Expenditure Framework

During the strategic planning and budgeting work that commenced in August 2023, 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.

In 2023/24, the government commenced the development of an Outcome Framework to better priorities the allocation of resources to the government's strategic priorities. It is anticipated the Outcome Framework will begin to be implemented in 2024.

PART 4: ASSETS AND LIABILITIES

The Consolidated Fund and reserves

The Consolidated Fund is established by section 98 of the *Constitution*.

The *Constitution* provides that the Consolidated Fund shall receive ‘all revenues or other moneys raised or received by and for the purposes of the Government of St Helena,’⁴ unless an Ordinance requires monies to be paid into a specific purpose fund.⁵

Section 99 of the Constitution provides that monies may not be withdrawn from the Consolidated fund unless authorised by a law, such as by an appropriation ordinance.⁶

In addition to cash receipts, SHG also accrues amounts related to the receipt or revaluation of assets, or the recognition of liabilities, in certain “reserves” within the Consolidated Fund, even when there is no cash receipt or payment from the Consolidated Fund arising from those transactions.

The accrual balance of the Consolidated Fund will, therefore, exceed the cash that is available to support expenditure.

General reserve

The general reserve is essentially the residual part of the Consolidated Fund that contains all amounts that are not recognised in other, specific, reserves. Its balance is effectively the amount of cash that is available to SHG in the Consolidated Fund at any one time.

It is estimated that, at the end of March 2023, the balance on the general reserve was £5.8 million, however, at the end of March 2024 the balance is estimated to be £3.5 million.

Minimum balance of the General Reserve

Setting a minimum balance for the General Reserve is a critical control to ensure the sustainability of public finances, liquidity is available to manage the day-to-day operations of SHG, and enhances SHG’s capacity to meet future financial obligations.

A minimum balance on the general reserve is not a legally binding constraint on the use of the reserve, but it sets a benchmark that shows the government’s commitment to financial prudence. It also provides a buffer of public funds that is available in extraordinary circumstances or to meet unforeseen expenditure pressures.

4. See: *Constitution*, s 98(1).

5. See: *Constitution*, s 98(2).

6. See: *Constitution*, s 99(1).

For 2024/25, the SHG has targeted a minimum balance on the General Reserve of £5.0 million.

Since the remaining balance on the Consolidated Fund is below the minimum threshold set of £5.0 million, a management strategy to mitigate and manage this risk is needed to ensure that SHG is able to meet its short-term and long-term financial cash requirements and is being developed by the Treasury.

Other reserves

In addition to the General Reserve, the Consolidated Fund also includes the following other reserves.

Aid Funded Infrastructure Reserve

The Aid Funded Infrastructure Reserve was established to accrue the value of FCDO aid funded infrastructure assets acquired through non-exchange transactions, namely the Airport and Rupert's Wharf.

An amount equivalent to depreciation is debited from the balance of this reserve over the useful life of each of those assets.

Capital Reserve

The Capital Reserve provides for the initial accrual recognition of the purchase of Property, Plant and Equipment within the Statement of Financial Position.

An amount is credited to the Capital Reserve to reflect expenditure on assets and an amount equivalent to depreciation is then charged to the reserve over the useful life of asset.

Donated Asset Reserve

The Donated Assets Reserve represent the accrual value of assets donated to SHG. The fund balance is adjusted each year for new donated assets received and to reflect the change in value of assets held.

Investments in Subsidiaries Reserve

The Investments in Subsidiaries Reserve provides for the initial recognition of investments in subsidiaries. An amount is credited to this reserve to reflect the investment of funds in a subsidiary organisation.

When returns on investments are realised, either through sale of shares or distribution of profits, funds are transferred back to the General Reserve.

Litigation Reserve

The Litigation Reserve is not a source of funding to meet the cost of litigation. It merely provides for the accrual recognition of a provision reflecting the expected value of unresolved litigation claims currently under review by the Attorney-General.

The balance of the reserve is not the sum of the total claims against SHG, but rather a risk weighted estimate of the likely litigation exposure to SHG at any one time.

The balance changes each year as claims are resolved and settlements are reached or as claims are discontinued and provisions are derecognised.

Pension Reserve

The Pension Reserve provides for the accrual of the negative balance arising from the unfunded liability in the SHG Defined Benefit Pension Scheme.

Revaluation Reserve

The Revaluation Reserve contains the accrual gains made by SHG from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The Currency Fund

The Currency Fund is provided for by the *Currency Ordinance 1975*. The Currency Fund provides for the stability of the island's currency by matching each St Helena Pound on issue with GBP.

The fund also generates revenue through the issuing authority for precious metal coins, mainly gold, silver and occasionally platinum. The fund receives a royalty for each coin sold based on a number of factors such as the size, weight and denomination of each coin.

The fund has a number of expenses including investment management fees, audit fees, the costs of notes and coins and other incidental costs. Any surplus or deficit in the year is transferred to the general reserve of the Currency Fund.

The *Currency Ordinance 1975* provides that the Currency Commissioners may, with the agreement of the Governor, provide any excess in the general reserve of the fund over a specified minimum balances to SHG as revenue.

The Currency Commissioners have agreed to provide £300,000 from the Currency Fund to SHG in 2023/24, and £80,000 in 2024/25.

State-owned entities

SHG has an interest in several entities that provide critical services and support to the island and its residents.

Table 13: State-owned entities

Entity	Nature of SHG interest
Bank of St Helena Ltd	Wholly owned
Connect Saint Helena Ltd	Wholly owned
Solomon & Company (St Helena) Plc	Majority shareholder (62.9%)
St Helena Hotel Development Ltd	Majority shareholder (94.9%) 100% beneficially-owned by SHG via Enterprise St Helena
St Helena Airport Limited (company limited by guarantee)	SHG is the sole member

Risk management and identified risks

SHG is exposed to certain risks that may alter the outlook for its financial position.

Risk management

SHG works to reduce risks across its activities through on-going improvements to business systems and processes.

SHG currently has a policy of self-insurance meaning that, rather than having a relationship with a commercial insurance provider for managing key risk areas, it plans to draw on its own reserves to pay for any liabilities arising during the year.

SHG does not have reinsurance arrangements.

Identified risks

The main categories of risk that have been identified by SHG are discussed below.

Continued operation of the Bulk Fuel Installation

The existing Bulk Fuel Installation (BFI) is nearing the end of its economic and engineering life.

Arrangements are being made for a design review of the new Bulk Fuel Installation (BFI) in 2024/25 with a view to determining what is required to bring that asset into operation. The transition from the old to new BFI is unlikely, therefore, in the short to medium term. This design review has been funded by the UK.

Essential and statutory service provision

Particularly because St Helena is a small and remote island community, SHG is relied upon to — although not necessarily legally required to — provide certain essential services that are not provided by the private sector, or the private sector alone.

Access to the island, both by sea and by air, is a particular area where SHG must ensure stable and reliable services for the Island.

In other areas, SHG is legally required to provide specific services, or provide specific services in a manner that is consistent with the island's human rights obligations and other legislative requirements.

Ensuring the ongoing provision of essential and statutory services to the island poses a risk for SHG that may impact its finances going forward.

Following the decision in 2023/24 by several incumbent public transport service operators to decline to continue their operations, the provision of adequate public transport on the island is a specific area of service delivery that may affect the government's finances in 2024/25.

Fuel Risk Share arrangement with Connect Saint Helena Ltd

The subsidy arrangement with Connect Saint Helena Ltd includes provision for additional subsidy if the purchase price of fuel from the Bulk Fuel Installation is more than a specific price agreed in the annual subsidy arrangement. In 2023/24, Connect accessed payments under the Fuel Risk Sharing arrangement due to high international fuel prices.

The Fuel Risk Sharing arrangement exposes SHG to the risk of movements in global fuel prices which, in 2024/25, is capped at a maximum of £138,000 (the same as in 2023/24).

Guarantee for St Helena Hotel Development Ltd

SHG is a guarantor of a £1.0 million loan to St Helena Hotel Development Ltd from the Bank of St Helena Ltd. The guarantee matures on 1 November 2026, however, the term of the guaranteed loan extends beyond that date.

If, during the guarantee period, a liability crystallises for SHG, it would create financial pressures that would be difficult to manage within existing budget allocations.

SHG currently provides financial support to St Helena Hotel Development Ltd, which is intended to support the business to become financially self-sustaining.

Litigation risk

SHG is the subject of a range of litigation claims. Whether individual claims will result in a financial liability for SHG cannot be known with certainty at the present time, and the overall value of any liability cannot be estimated with certainty.

SHG seeks to manage litigation risk via its self-insurance arrangements using the Consolidated Fund.

During 2023/24 the Attorney-General's Chambers worked with a specialist legal firm, the Public Solicitors Office and the Hugh James law firm to develop a scheme that would allow certain medical negligence claims to be settled out of court.

Overseas medical referrals and medical evacuation

Despite St Helena's aging population, there is limited capacity to provide specialist and tertiary medical care on the island.

Where a clinical assessment determines a patient should be referred overseas for medical treatment, SHG meets the cost of that referral. Some of these costs are recovered by fees and charges at local rates.

The number of overseas medical referrals and medical evacuations, and the range of medical procedures that a patient undergoes while off-Island, is difficult to predict and poses a risk to SHG's financial position.

To mitigate this risk, the Health & Social Care Portfolio has recently strengthened its contractual arrangements with overseas medical providers and closely monitors procedures performed. Additionally, in 2023/24 SHG adopted a policy of only referring cases that posed a risk to life, limb and sight. All other cases are put on a 'waiting list' to be referred at a later date.

Unfunded pension liabilities

SHG operates two employer pension schemes for SHG salaried employees (defined benefit (DB) and defined contributions (DC)), and a state pension, the Basic Island Pension (BIP). The DB pension for SHG employees has been closed to new entrants since 2010.

The DB scheme is an unfunded scheme, which is financed through the recurrent budget annually when pension payments fall due. The BIP is not supported by a social contributions scheme, and must also be financed through the recurrent budget annually when pension payments fall due.

The unfunded nature of both of these schemes pose a risk to the government's financial position going forward.



**GOVERNMENT OF ST HELENA
SUMMARY OF BUDGETED EXPENDITURE AND REVENUE**

	Original Estimate 2023/24 £'000	Revised Estimate 2023/24 £'000	Original Estimate 2024/25 £'000	Forecast Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000
EXPENDITURE					
Recurrent Expenditure					
Central Support Service	10,025	10,066	10,411	10,413	10,422
Attorney General's Chambers	105	124	105	104	105
Safety, Security and Home Affairs	2,563	2,665	2,854	3,007	3,065
Judicial Services	147	152	146	146	146
Treasury, Infrastructure and Sustainable Development	13,379	14,386	0	0	0
Treasury	0	0	7,927	5,865	5,868
Police Operations	0	0	872	843	885
Economic Development	0	0	5,778	5,577	5,747
Education, Skills and Employment	3,585	3,585	3,562	3,575	3,560
Health and Social Care	8,788	10,618	9,466	9,434	9,434
Environment, Natural Resources and Planning	1,682	1,682	1,651	1,690	1,697
	40,274	43,278	42,772	40,654	40,929
Pensions & Benefits	5,687	5,687	5,735	5,909	6,020
Total Recurrent Expenditure	45,961	48,965	48,507	46,563	46,949
Capital Expenditure					
Safety, Security and Home Affairs	40	40	102	61	46
Treasury, Infrastructure and Sustainable Development	703	703	0	0	0
Economic Development	0	0	325	250	250
Education, Skills and Employment	0	0	68	0	0
Health and Social Care	368	427	73	0	0
Total Capital Expenditure	1,111	1,170	568	311	296
TOTAL EXPENDITURE	47,072	50,135	49,075	46,874	47,245
REVENUE					
Taxes	12,197	12,197	12,015	11,708	12,039
Duty & Licences	275	275	239	239	239
Fines & Fees	641	641	566	579	583
Government Rents	266	266	318	318	319
Earnings Government Departments	45	45	48	50	50
Income Received	763	763	698	448	447
Treasury Receipts	474	624	611	281	281
FCDO Financial Aid	28,361	30,065	31,065	29,241	28,741
FCDO Airport Operations Funding	2,995	2,995	2,995	2,995	2,995
Recharges	428	428	417	391	391
TOTAL REVENUE	46,445	48,299	48,972	46,250	46,085
CONTRIBUTION FROM THE CONSOLIDATED FUND	627	1,836	103	0	0
TOTAL FUNDING	47,072	50,135	49,075	46,250	46,085

SUMMARY OF TOTAL REVENUE



**GOVERNMENT OF ST HELENA
TOTAL REVENUE**

Sub-Head No.	Previous Year Original Estimate 2023/24 £'000	Current Year Estimate 2024/25 £'000	Forecast Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000
TAXES	12,197	12,015	11,708	12,039
012-00200 Taxes - PAYE	4,800	4,680	4,750	4,900
012-00201 Taxes - Self Employed	260	270	280	290
012-00202 Taxes - Corporation Tax	1,110	960	980	1,000
012-00203 Taxes - Service Tax	600	450	450	450
012-00204 Taxes - Withholding Tax	27	27	28	29
012-00205 Customs - Other	2,180	2,718	2,810	2,910
012-00206 Customs - Alcohol	1,220	1,200	950	980
012-00207 Customs - Tobacco	1,000	700	470	500
012-00208 Customs - Petrol	290	290	290	290
012-00209 Customs - Diesel	460	460	460	460
012-00210 Liquor Duty	20	20	20	20
012-00220 Excise Duty	230	240	220	210
DUTY & LICENCES	275	239	239	239
013-00301 Stamp Duty	63	27	27	27
013-00302 Dog Licence	5	5	5	5
013-00303 Firearm Licence	5	5	5	5
013-00304 Liquor Licence	11	11	11	11
013-00305 Road Traffic Licence	168	168	168	168
013-00307 Gaming Machine Licence	2	2	2	2
013-00310 Other Licences & Duty Received	21	21	21	21
FINES & FEES	641	566	579	583
014-00403 Court Fees & Fines	12	12	12	12
014-00404 Light Dues	0	13	13	13
014-00405 Cranage	0	1	1	1
014-00407 Dental Fees	32	25	24	23
014-00408 Fees of Office	5	9	9	9
014-00409 Medical & Hospital	177	129	118	118
014-00413 Trade Marks	10	10	10	10
014-00414 Post Office Charges	5	3	3	3
014-00415 Meat Inspection Fees	6	5	6	6
014-00416 Vet Services	33	34	34	34
014-00417 Birth, Marriage & Death Fees	4	4	4	4
014-00418 Land Registration Fees	20	12	12	12
014-00419 Spraying Fees	3	3	3	3
014-00420 Immigration Fees	34	59	29	34
014-00428 Fish/Food Testing Fees	21	21	21	21
014-00430 Planning Fees	10	9	9	9
014-00431 GIS Fees	14	14	14	14
014-00432 Company Registration Fees	3	3	3	3
014-00450 Other Fees Received	252	200	254	254



**GOVERNMENT OF ST HELENA
TOTAL REVENUE**

Sub-Head No.	Previous Year Original Estimate 2023/24 £'000	Current Year Estimate 2024/25 £'000	Forecast Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000
GOVT RENTS	266	318	318	319
015-00503 Gardens	7	9	9	9
015-00504 Leased House Plots	29	29	29	29
015-00505 Boarding and Lodging	113	119	119	119
015-00506 Commercial Property Rents	109	153	153	154
015-00507 Miscellaneous Receipts	1	1	1	1
015-00508 Agricultural Buildings	7	7	7	7
EARNINGS GOVERNMENT DEPTS	45	48	50	50
016-00601 Stamp Sales(Postal)	22	20	22	22
016-00602 Stamp Sales (Philatelic)	10	10	10	10
016-00603 Sale of Firewood	13	18	18	18
016-00604 Sale of Timber Logs	0	0	0	0
INCOME RECEIVED	763	698	448	447
011-00110 Miscellaneous Receipts	40	8	8	7
017-00750 Other Income Received	723	690	440	440
TREASURY RECEIPTS	474	611	281	281
018-00800 Commission	3	4	4	4
018-00801 Interest	194	240	240	240
018-00804 Currency Fund Surplus	150	80000	0	0
018-00806 Dividends	102	262	12	12
018-00808 Argos	25	25	25	25
TOTAL LOCAL REVENUE	14,661	14,495	13,623	13,958
FINANCIAL AID	31,356	34,060	32,236	31,736
018-00810 FCDO Financial Aid	28,361	31,065	29,241	28,741
018-00815 FCDO Airport Operations Funding	2,995	2,995	2,995	2,995
RECHARGES	428	417	391	391
019-00905 Customs	346	347	320	320
019-00906 Other	80	68	68	68
019-00907 Postal	2	2	3	3
TOTAL REVENUE	46,445	48,972	46,250	46,085

SUMMARY OF TOTAL RECURRENT EXPENDITURE



**GOVERNMENT OF ST HELENA
TOTAL RECURRENT EXPENDITURE**

Sub-Head No.	Previous Year Original Estimate 2023/24 £'000	Current Year Estimate 2024/25 £'000	Forecast Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000
EMPLOYEE COSTS	19,773	20,370	20,413	20,561
021-01103 Salaries	13,476	13,559	13,591	13,647
021-01105 Allowances	2,369	2,513	2,416	2,462
021-01107 Staff Mileage Allowance	15	13	14	14
021-01201 Defined Benefit Pensions	1,633	1,673	1,705	1,710
021-01202 Pension Contribution	1,309	1,266	1,303	1,303
021-01205 Training Expenses	271	225	261	301
021-01302 Wages - Part Time Staff	531	489	502	502
021-01304 Overtime	113	136	139	140
021-01400 Other Employee Costs	56	496	482	482
PROPERTY COSTS	727	739	756	761
022-02101 Building Maintenance	31	23	36	36
022-02102 Grounds Maintenance	9	9	9	9
022-02107 Roads Maintenance	3	3	3	3
022-02203 Electricity	547	541	552	559
022-02302 Rent of Premises	6	18	11	6
022-02401 Water	85	94	96	97
022-02403 Maintenance of Sewer Lines	16	17	15	15
022-02501 Maintenance of Street Lights	4	4	4	4
022-02601 Cleaning Materials	26	30	30	32
TRANSPORT & PLANT COSTS	20	28	28	28
023-03501 Vehicle Hire Charges - Outside SHG	20	28	28	28
SUPPLIES & SERVICES	5,228	6,020	5,912	5,949
024-04101 Furniture & Equipment	146	167	174	177
024-04102 Tools	31	36	37	34
024-04103 Materials	530	600	592	590
024-04104 Fert/Pesticides/Fungicides	8	9	12	11
024-04105 Chemicals	4	4	4	4
024-04107 Lubricating Oils	5	5	5	4
024-04108 Plant & Equipment Maintenance	46	42	47	50
024-04109 Medical Supplies	849	849	849	850
024-04110 Vet Drugs/Stores	36	35	42	43
024-04111 Animal Feed	3	2	2	3
024-04114 Repairs & Maintenance	28	26	29	41
024-04115 Fuel	240	292	291	294
024-04116 Computer Equipment	23	6	7	7
024-04120 Publicity & Promotional Activities	317	275	158	157
024-04123 Prisoner Rehabilitation	21	24	26	29
024-04201 Food Provisions	206	204	209	215
024-04301 Uniforms	33	39	39	41
024-04302 Protective Clothing	42	48	48	49



**GOVERNMENT OF ST HELENA
TOTAL RECURRENT EXPENDITURE**

Sub-Head No.		Previous Year	Current Year	Forecast	Forecast
		Original Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000
024-04401	Library Books & Materials	5	6	7	7
024-04402	Stamp Issues	14	17	14	15
024-04403	Computer Consumables	64	62	63	63
024-04405	Training Materials	62	68	63	63
024-04406	Photocopy Consumables	13	15	14	15
024-04407	IT Renewals & Licences	206	289	289	297
024-04503	Overseas Medical Treatment	1,500	2,100	2,100	2,100
024-04504	Medical Evacuation	230	230	230	230
024-04505	Postal Charges	11	11	8	8
024-04508	Scientific & Technical Analysis	124	138	125	124
024-04509	Occupational Therapy	4	5	12	12
024-04710	Education Broadband	413	413	413	413
024-04800	Other Supplies & Services	14	3	3	3
	ADMINISTRATION COSTS	717	717	663	667
025-05101	Printing	16	12	13	13
025-05102	Stationery	19	20	18	19
025-05105	General Office Expenses	1	2	2	2
025-05201	Postages	5	5	5	5
025-05202	Telephones, Fax & Internet Charges	469	465	418	418
025-05203	International Telecoms	18	16	17	17
025-05205	Other Administration Costs	54	47	44	45
025-05206	Advertising	96	107	102	102
025-05300	Banking Fees	15	16	16	16
025-05301	Investment Management Fees	23	26	27	29
025-05302	Bank Charges - Debit Card	1	1	1	1
	PAYMENT TO OTHER AGENCIES, BODIES OR PERSONS	11,697	11,747	11,170	11,225
026-06101	Examination & Testing Fees	41	35	39	39
026-06104	Student Scholarship Scheme	196	64	23	15
026-06105	Apprenticeships	144	151	150	150
026-06106	Miscellaneous Farmers Support	32	16	9	13
026-06117	St Helena Hotel Development	150	200	200	200
026-06141	Public Solicitors Office	56	60	60	60
026-06143	Media Services	26	28	28	28
026-06145	Swimming Pool Contract	104	104	105	106
026-06148	Public Transport System	71	129	78	81
026-06158	Subsidy to Connect St Helena	1,767	1,517	1,517	1,517
026-06159	Equality & Human Rights	78	84	103	103
026-06165	Legal Assistance Fund	32	35	35	35
026-06169	Cleaning Services for the Elderly	24	24	24	24
026-06200	Miscellaneous Grants ¹	434	259	350	350
026-06204	Wharf Management Fee	3	3	3	3
026-06212	Consultancy Fees	340	923	397	346
026-06501	Social Benefits	1,110	1,178	1,271	1,337
026-06503	Community Employment & Allowances	59	58	58	58
026-06504	Better Life Allowances	241	275	275	275



**GOVERNMENT OF ST HELENA
TOTAL RECURRENT EXPENDITURE**

Sub-Head No.		Previous Year	Current Year	Forecast	Forecast
		Original Estimate 2023/24 £'000	Estimate 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000
026-06505	Basic Island Pension	2,954	2,894	2,935	2,975
026-06506	Child in Need Allowance	36	75	75	75
026-06507	Community Carer Allowances	215	325	325	325
026-06508	Home Care Support Workers	125	115	115	115
026-06700	St Helena Airport Ltd Subsidy Payments	2,995	2,995	2,995	2,995
026-06701	Freight Transport Subsidy	464	200	0	0
	OTHER EXPENDITURE	3,514	4,349	3,130	3,235
027-07101	Councillors Expenses	391	385	386	386
027-07102	Election Expenses	1	1	11	1
027-07104	Compensation	162	147	52	36
027-07106	UK Representative	193	211	211	210
027-07111	Ring-fenced Support	0	1,204	0	0
027-07112	Sub to Professional Bodies	41	45	45	45
027-07114	Legal Fees	153	151	186	186
027-07116	Ferry Service	38	29	29	29
027-07128	Accommodation & Travel	513	438	396	372
027-07135	Ad Hoc Committee Expenses	43	39	19	19
027-07136	Commonwealth Parliamentary Assoc.	27	47	11	11
027-07138	Transfer to Reserves	1,859	1,559	1,692	1,848
027-07139	Service Tax	93	93	92	92
	PAYMENTS TO CONTRACTORS	1,808	2,036	1,939	1,978
028-08101	Agricultural Contracts	68	63	52	52
028-08102	Bus Service	240	250	255	255
028-08103	Other Contracts	1,120	1,354	1,248	1,271
028-08104	Cleaning Contract	380	369	384	400
	RECHARGES	2,477	2,501	2,522	2,515
029-09900	Transport	887	883	937	936
029-09903	IT	1,182	1,146	1,126	1,128
029-09904	Customs	184	160	160	160
029-09905	Other	17	9	24	24
029-09907	Postal	1	1	1	1
029-09908	Audit Fees	206	302	274	266
	TOTAL EXPENDITURE	45,961	48,507	46,533	46,919

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 and marketing the Island in support of our national objectives.

Seven priorities supports 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

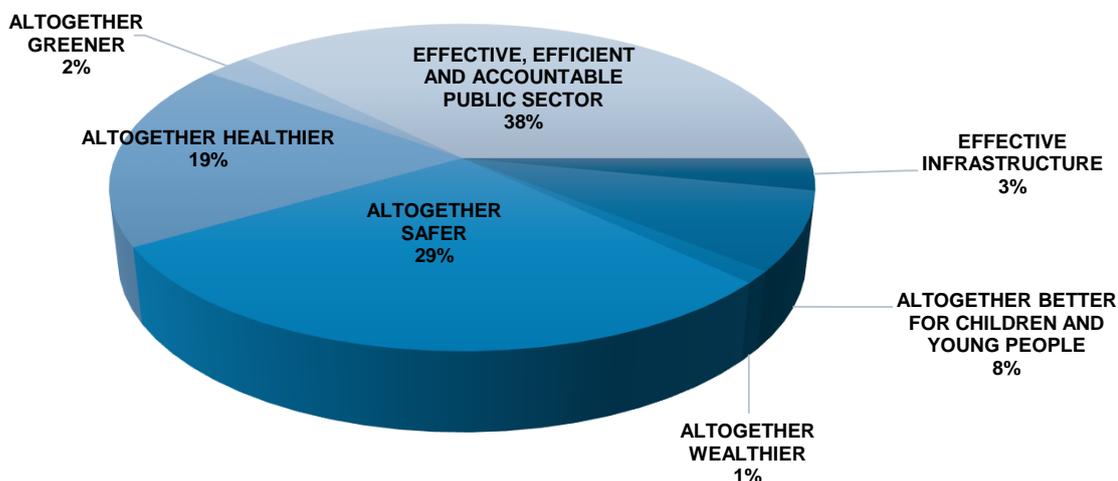
Priority 5 - Support the development of the Public Service through the delivery of an effective People Strategy

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

Priority 7 - Support and enable the government's high level national objectives through marketing activities, notably the promotion of St Helena as a tourist and investment destination and as a place to live and work.

Contribution towards achieving the National Goals for St Helena 2024/25	£'000
Effective Infrastructure	329
Altogether Better for Children and Young People	807
Altogether Wealthier	124
Altogether Safer	3,056
Altogether Healthier	1,942
Altogether Greener	253
Effective, Efficient and Accountable Public Sector	3,900
	10,411

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Central Support Service	2,192	0	44	(2,148)
Central Human Resources & Organisational Develop	456	0	0	(456)
Technical Co-operation Posts	7,763	0	0	(7,763)
TOTAL	10,411	0	44	(10,367)

HEAD 12: CENTRAL SUPPORT SERVICE

Accounting Officer: Deputy Chief Secretary

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT							
Governor's Office	145	0	147	0	148	150	151
Management & Administration	441	0	442	0	427	427	427
Information Services	54	0	57	0	54	54	54
Public & National Affairs	224	0	224	0	221	221	220
Supporting Executive & Legislative Councils	549	0	549	0	562	537	527
Programme Management Office	152	0	152	0	150	149	149
Technical Services	0	0	0	0	121	125	124
National Geographic Information System	0	0	0	0	91	92	92
Marketing	0	0	0	0	225	225	225
Public Relations	119	0	119	0	115	79	79
Statistics Office	85	0	78	0	78	78	78
Human Resources Services	260	0	261	0	265	265	265
Technical Co-operation Posts	7,805	0	7,846	0	7,763	7,805	7,825
Learning & Development	191	0	191	0	191	206	206
TOTAL OUTPUTS	10,025	0	10,066	0	10,411	10,413	10,422
	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
REVENUE BY OUTPUT							
Information Services	1	0	1	0	1	1	1
Public & National Affairs	17	0	17	0	17	17	17
Technical Services	3	0	3	0	12	12	12
National Geographic Information System	20	0	20	0	14	14	14
TOTAL REVENUE	41	0	41	0	44	44	44
NET EXPENDITURE (REVENUE)	9,984	0	10,025	0	10,367	10,369	10,378

Note:

1. Included in the Total Outputs is an amount of £146k which is recharges between Heads of expenditure and Trading Accounts.
2. The Outputs Technical Services, National Geographic Information System and Marketing were previously appropriated under Head 17.

HEAD 14

ATTORNEY GENERAL'S CHAMBERS

ACCOUNTING OFFICER:
ATTORNEY GENERAL

HEAD 14: ATTORNEY GENERAL'S CHAMBERS

Accounting Officer: Attorney General

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT							
Attorney General's Chambers	105	0	124	0	105	104	105
TOTAL OUTPUTS	105	0	124	0	105	104	105
NET EXPENDITURE (REVENUE)	105	0	124	0	105	104	105

Note:

Included is an amount of £22k 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 comprises Immigration and Customs, Fire and Rescue, Sea Rescue, Prison, Emergency Planning, Port Control, Maritime Authority, Health and Safety, Resilience Forum and Critical National Infrastructure Scrutiny, Highways Authority, Cyber Security Strategy, Roads, Rock fall Protection and Buildings Maintenance (from October 2023) and a range of licensing and inspection services administered by the Police. The Portfolio also provides a 24 hours 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.

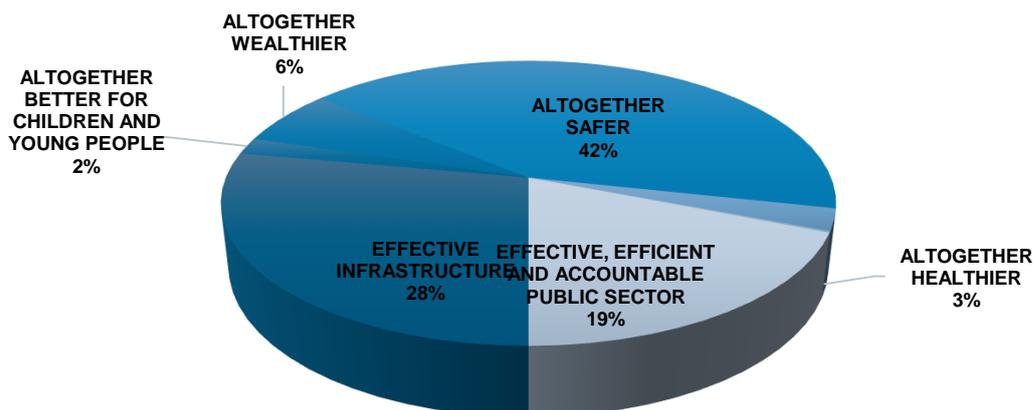
Priority 3 - Improving community trust and confidence in the services provided by the portfolio.

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 2024/25	£'000
Effective Infrastructure	825
Altogether Better for Children and Young People	56
Altogether Wealthier	186
Altogether Safer	1,252
Altogether Healthier	73
Altogether Greener	559
Effective, Efficient and Accountable Public Sector	5
	<u>2,956</u>

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Safety, Security and Home Affairs	2,854	102	116	(2,840)
TOTAL	2,854	102	116	(2,840)

HEAD 15: SAFETY, SECURITY & HOME AFFAIRS

Accounting Officer: Portfolio Director Safety, Security & Home Affairs

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Capital 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Capital 2026/27 £'000
EXPENDITURE BY OUTPUT										
Management & Administration	23	0	19	0	75	0	75	0	75	0
Fire & Rescue	338	0	342	0	338	0	335	0	335	0
Police Operations - St Helena Island	683	0	689	0	0	0	0	0	0	0
HM Prison	440	32	475	32	436	0	498	0	523	0
Police Operations - Ascension Island	196	0	196	0	0	0	0	0	0	0
Immigration	124	0	164	0	154	0	200	0	200	0
Sea Rescue Service	176	0	158	0	176	0	185	15	185	0
Customs	290	0	305	0	303	0	299	0	297	0
Port Management	266	8	290	8	286	56	336	0	371	0
Maritime Authority	27	0	27	0	27	0	27	0	27	0
Provision & Maintenance of Roads	0	0	0	0	421	0	416	0	416	0
Building Maintenance	0	0	0	0	542	46	540	46	540	46
Provision & Maintenance of Street Lighting	0	0	0	0	22	0	22	0	22	0
Rock Fall Protection	0	0	0	0	74	0	74	0	74	0
TOTAL OUTPUTS	2,563	40	2,665	40	2,854	102	3,007	61	3,065	46
REVENUE BY OUTPUT										
Police Operations - St Helena Island	226	0	226	0	0	0	0	0	0	0
Police Operations - Ascension Island	196	1	196	1	0	0	0	0	0	0
Immigration	34	0	34	0	59	0	29	0	34	0
Customs	0	0	0	0	5	0	5	0	5	0
Port Management	5	0	5	0	18	0	18	0	18	0
Provision & Maintenance of Roads	0	0	0	0	4	0	4	0	4	0
Building Maintenance	0	0	0	0	30	0	30	0	30	0
TOTAL REVENUE	461	0	461	0	116	0	86	0	91	0
NET EXPENDITURE (REVENUE)	2,102	40	2,204	40	2,738	102	2,921	61	2,974	46

Note:

1. Police Operations was previously appropriated under Head 15, this has now transferred to Head 18.
2. Infrastructure functions were previously appropriated under Head 17.
3. Included in the Total Outputs is an amount of £476k which is recharges between Heads of expenditure and Trading Accounts.

HEAD 16

JUDICIAL SERVICES

ACCOUNTING OFFICER:
CHIEF MAGISTRATE

HEAD 16: JUDICIAL SERVICES

Accounting Officer: Chief Magistrate

	Original Recurrent 2022/23 £'000	Original Capital 2022/23 £'000	Revised Recurrent 2022/23 £'000	Revised Capital 2022/23 £'000	Estimate Recurrent 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000
EXPENDITURE BY OUTPUT							
Justice Administration	147	0	152	0	146	146	146
TOTAL OUTPUTS	147	0	152	0	146	146	146
REVENUE BY OUTPUT							
Justice Administration	39	0	39	0	39	39	39
TOTAL REVENUE	39	0	39	0	39	39	39
NET EXPENDITURE (REVENUE)	108	0	113	0	107	107	107

Note:

Included is an amount of £13k which is recharges between Heads of expenditure and Trading Accounts.

HEAD 17

TREASURY

ACCOUNTING OFFICER:
DEPUTY FINANCIAL SECRETARY

Overview

The Treasury works on behalf of the Governor, the Minister responsible for finance and the Financial Secretary to oversee and drive the efficient and effective management of the public finances in St Helena. Our purpose is to ensure that all Government revenues are collected promptly, all transactions and financial activities are accounted for accurately, all financial management reports and advice is provided to decision makers timeously and the assets and liabilities of the Government are managed appropriately.

We are responsible for ensuring that there is a robust system of internal controls that ensure the delivery of the Government's objectives as they relate to the management of public finances and lead on a number of strategic projects for the Island that seek to improve Public Financial Management in St Helena and the management of Fiduciary Risks. We deliver this work through five core teams: Central Finance, Corporate Procurement, Customer Services Centre, Income Tax and Social Security. Together we aim to provide a service that is focused on meeting the needs of our customers and at the same time ensuring that proper, robust systems are in place that safeguard public funds and assets from misuse and misappropriation.

Three Priorities supports 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.

Priorities

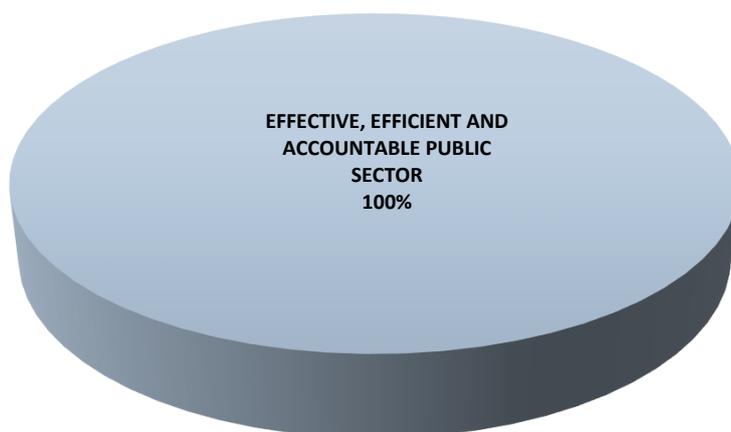
Priority 1 - Strengthen Public Financial Management and Accountability

Priority 2 - Secure and protect key revenue streams

Priority 3 - Invest in our teams to improve capacity and capability

Contribution towards achieving the National Goals for St Helena 2024/25	£'000
Effective, Efficient and Accountable Public Sector	7,927
	7,927

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Treasury	878	0	12,427	11,549
Key Policy Consultancies	500	0	0	(500)
DC Pension Scheme Payments	934	0	0	(934)
Payments on behalf of the Crown	5,615	0	32,317	26,702
TOTAL	7,927	0	44,744	36,817

HEAD 17: TREASURY

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT							
Key Policy Consultancies	0	0	0	0	500	0	0
Management of Social Security	49	0	49	0	49	52	52
Revenue Services	105	0	105	0	90	90	90
Central Finance	479	0	479	0	518	493	498
Post & Customer Services Centre	185	0	185	0	170	163	163
Payments on behalf of the Crown	5,149	0	5,253	0	6,549	5,016	5,014
Corporate Procurement Services	42	0	42	0	51	51	51
Infrastructure - Management & Administration	65	80	65	80	0	0	0
Provision & Maintenance of Roads	421	0	421	0	0	0	0
Provision & Maintenance of Street lighting	23	0	23	0	0	0	0
Rock Fall Protection	73	0	73	0	0	0	0
Building Maintenance (Works)	542	46	542	46	0	0	0
Technical Services	121	0	121	0	0	0	0
Land Registration & Property Disposal	70	0	70	0	0	0	0
National Geographic Information System	95	0	95	0	0	0	0
Economic Development	232	0	232	0	0	0	0
Tourism	524	75	524	75	0	0	0
Marketing	235	0	235	0	0	0	0
Shipping	464	0	692	0	0	0	0
Civil Aviation	1,510	250	2,185	250	0	0	0
Airport Operations	2,995	252	2,995	252	0	0	0
TOTAL OUTPUTS	13,379	703	14,386	703	7,927	5,865	5,868

HEAD 17: TREASURY

Accounting Officer: Deputy Financial Secretary

	Estimate Recurrent 2023/24 £'000	Estimate Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
REVENUE BY OUTPUT							
Revenue Services	12,543	0	12,543	0	12,362	12,028	12,359
Post & Customer Services Centre	69	0	69	0	65	68	69
Payments on behalf of the Crown	29,387	0	29,387	0	32,317	29,973	29,473
Infrastructure - Management & Administration	80	0	80	0	0	0	0
Building Maintenance (Works)	60	0	60	0	0	0	0
Land Registration & Property Disposal	215	0	215	0	0	0	0
Airport Operations	2,995	0	2,995	0	0	0	0
TOTAL REVENUE	45,349	0	45,349	0	44,744	42,069	41,901
NET EXPENDITURE (REVENUE)	(31,970)	703	(30,963)	703	(36,817)	(36,204)	(36,033)

Note:

1. Economic Development, Tourism, Shipping, Civil Aviation and Airport Operations has transferred to Head 19.
2. GIS and Marketing has transferred to Central Support Service, Head 12.
3. Infrastructure functions has transferred to Safety, Security and Home Affairs, Head 15.
4. Included in the Total Outputs is an amount of £414k which is recharges between Heads of expenditure and Trading Accounts.
5. Included in the revenues above are the following: FCDO Financial Aid £31,065k, Customs Duty £5,628k and Taxes £6,387k.

HEAD 18

**POLICE
OPERATIONS**

**ACCOUNTING OFFICER:
CHIEF OF POLICE**

HEAD 18: POLICE OPERATIONS

Accounting Officer: Chief of Police

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT							
Police Operations - St Helena Island	0	0	0	0	676	647	689
Police Operations - Ascension Island	0	0	0	0	196	196	196
TOTAL OUTPUTS	0	0	0	0	872	843	885
REVENUE BY OUTPUT							
Police Operations - St Helena Island	0	0	0	0	178	178	178
Police Operations - Ascension Island	0	0	0	0	196	196	196
TOTAL REVENUE	0	0	0	0	374	374	374
NET EXPENDITURE (REVENUE)	0	0	0	0	498	469	511

Note:

1. Police Operations was previously appropriated under Head 15.
2. Included in revenue under Police Operations for St Helena Island is the Road Traffic Licenses of £168k.
3. Included in the Total Output is an amount of £78k which is recharges between Trading Accounts.

HEAD 19

ECONOMIC DEVELOPMENT

ACCOUNTING OFFICER:
PORTFOLIO DIRECTOR
ECONOMIC DEVELOPMENT

Overview

The role of the Economic Development Portfolio is to facilitate sustainable economic development as outlined in the Sustainable Economic Development Plan 2023-2033.

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 - An open and accessible island - Open and accessible for people and culture, capital and finance.

Priority 2 - A productive island - Increase productivity, labour force participation, and capital investment.

Priority 3 - A breath of fresh air - Preserve and celebrate what makes us unique

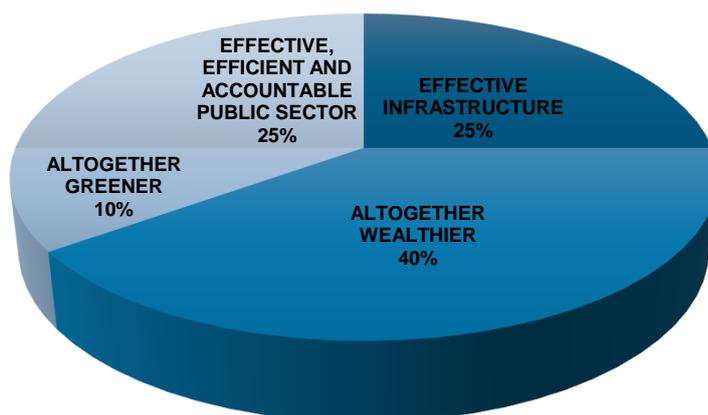
Priority 4 - A united island - Ensure everyone shares in the benefit.

Priority 5 - Effective infrastructure - Growth is supported by better infrastructure.

Priority 6 - Make St Helena Government a facilitator of business.

Contribution towards achieving the National Goals for St Helena 2024/25	£'000
Effective Infrastructure	1,526
Altogether Wealthier	2,441
Altogether Greener	610
Effective, Efficient and Accountable Public Sector	1,526
	6,103

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Economic Development	236	0	0	(236)
Financial Services	280	0	0	(280)
Tourism	520	75	0	(595)
Civil Aviation	1,680	250	0	(1,930)
Airport Operations	2,995	0	2,995	0
Property	67	0	221	154
TOTAL	5,778	325	3,216	(2,887)

HEAD 19: ECONOMIC DEVELOPMENT

Accounting Officer: Portfolio Director Economic Development

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Capital 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Capital 2026/27 £'000
EXPENDITURE BY OUTPUT										
Economic Development	0	0	0	0	236	0	260	0	260	0
Financial Services & Company Registry Development	0	0	0	0	280	0	280	0	280	0
Visitor Information Service	0	0	0	0	95	0	138	0	139	0
Tourism Development Programme	0	0	0	0	425	75	0	0	0	0
Civil Aviation & Shipping	0	0	0	0	1,680	250	1,837	250	2,006	250
Airport Operations	0	0	0	0	2,995	0	2,995	0	2,995	0
Crown Estates & Land Registration	0	0	0	0	67	0	67	0	67	0
TOTAL OUTPUTS	0	0	0	0	5,778	325	5,577	250	5,747	250
REVENUE BY OUTPUT										
Airport Operations	0	0	0	0	2,995	0	2,995	0	2,995	0
Crown Estates & Land Registration	0	0	0	0	221	0	221	0	221	0
TOTAL REVENUE	0	0	0	0	3,216	0	3,216	0	3,216	0
NET EXPENDITURE (REVENUE)	0	0	0	0	2,562	325	2,361	250	2,531	250

Note:

1. Outputs were previously appropriated under Head 17.
2. Included in the Total Outputs is an amount of £31k which is recharges between Heads of expenditure and Trading Accounts.
3. Included in the revenue above is FCDO Financial Aid for operational costs to St Helena Airport £2,995k.

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 2010.

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT							
Defined Benefit Pension	1,625	0	1,625	0	1,665	1,705	1,710
Basic Island Pension	2,954	0	2,954	0	2,894	2,935	2,975
Income Related Benefit	1,108	0	1,108	0	1,176	1,269	1,335
TOTAL OUTPUTS	5,687	0	5,687	0	5,735	5,909	6,020
NET EXPENDITURE (REVENUE)	5,687	0	5,687	0	5,735	5,909	6,020

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 2010 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 St Helena Public Library Service is also a core service.

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 and the St. Helena Research Institute.

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.

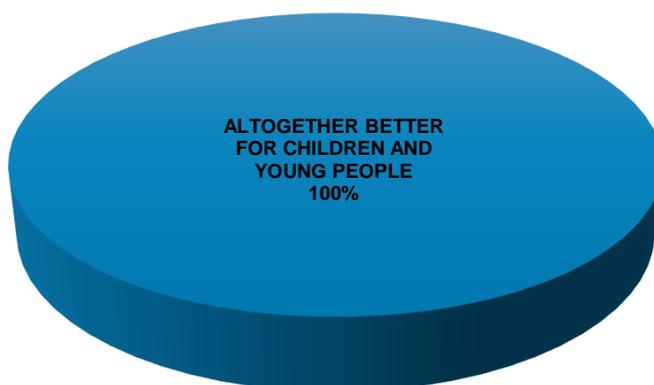
Priority 2 - Operate an inclusive system that meets the holistic needs of all children.

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 2024/25	£'000
Altogether Better for Children and Young People	<u>3,630</u>

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Education, Skills and Employment	3,562	68	2	(3,628)

HEAD 22: EDUCATION, SKILLS AND EMPLOYMENT

Accounting Officer: Portfolio Director Education, Skills and Employment

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT								
Management and Administration	198	0	198	0	181	0	202	203
Vocational Education	427	0	427	0	448	0	434	430
Pilling Primary and Pre-school	312	0	312	0	320	0	323	323
Harford Primary and Pre-school	322	0	322	0	326	0	329	329
St Paul's Primary and Pre-School	345	0	345	0	338	0	340	340
Secondary Education	1,039	0	1,039	0	1,050	68	1,060	1,062
Inclusion	259	0	259	0	281	0	287	287
Education Standard Support	399	0	399	0	423	0	426	420
Teacher Training	54	0	54	0	56	0	74	74
Tertiary Education	196	0	196	0	104	0	63	55
Public Library	34	0	34	0	35	0	37	37
TOTAL OUTPUTS	3,585	0	3,585	0	3,562	68	3,575	3,560
REVENUE BY OUTPUT								
Vocational Education	5	0	5	0	2	0	2	2
TOTAL REVENUE	5	0	5	0	2	0	2	2
NET EXPENDITURE (REVENUE)	3,580	0	3,580	0	3,560	68	3,573	3,558

Note:

Included in the Total Outputs is an amount of £383k which is recharges between Heads of expenditure and Trading Accounts.

HEAD 23

HEALTH AND SOCIAL CARE

ACCOUNTING OFFICER:
PORTFOLIO DIRECTOR
HEALTH & SOCIAL CARE

Overview

The Health and Social Care Portfolio are responsible for the delivery of all primary health, secondary health and social care needs on the island.

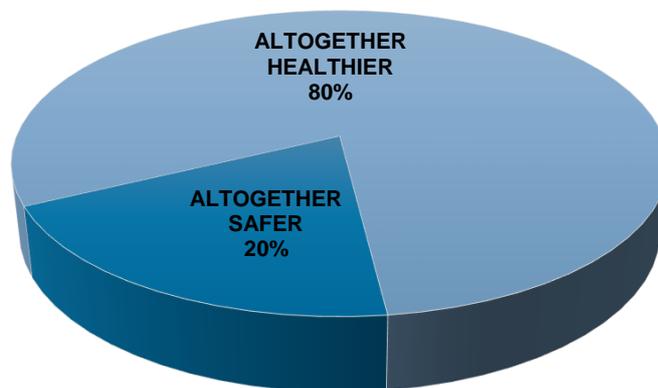
The Portfolio has six Priorities which will support the delivery of the National Goals for St Helena and achievement of our Strategic Objectives and Policy Priorities and meet the needs of the community.

Portfolio Priorities

- Priority 1 - Ensure a safe statutory offer for children and adults.
- Priority 2 - Primary prevention and management of chronic diseases.
- Priority 3 - Provide evidence based primary secondary and tertiary healthcare.
- Priority 4 - Provide a health and social care governance system.
- Priority 5 - Promote healthy lifestyles.
- Priority 6 - Delivery of core and preventative health services.

Contribution towards achieving the National Goals for St Helena 2024/25	£'000
Altogether Safer	1,883
Altogether Healthier	7,656
	9,539

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Health Services	3,627	73	286	(3,414)
Aero Medical Evacuation	230	0	0	(230)
Overseas Medical Treatment	2,100	0	15	(2,085)
Children and Adult Social Care	3,234	0	140	(3,094)
Better Life Allowance	275	0	0	(275)
TOTAL	9,466	73	441	(9,098)

HEAD 23: HEALTH AND SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Estimate Recurrent 2023/24 £'000	Estimate Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT								
Management & Administration	348	0	348	59	324	55	321	321
Local Medical	1,442	0	1,502	0	1,498	0	1,453	1,454
Overseas Medical	1,743	0	3,287	0	2,343	0	2,342	2,342
Hospital/Acute Care	761	368	761	368	723	18	719	719
Community Care (Primary Care)	205	0	205	0	206	0	220	216
Dental	133	0	133	0	139	0	140	141
Environmental Health	172	0	172	0	174	0	174	174
Laboratory	336	0	336	0	369	0	368	370
Bradleys Operations	114	0	114	0	86	0	89	89
Mental Health	96	0	96	0	95	0	95	95
Social Care Support Services	72	0	72	0	45	0	45	45
Learning Disabilities	172	0	172	0	165	0	165	165
Family Centre	125	0	125	0	0	0	0	0
Supported Accommodation	0	0	0	0	117	0	117	117
Sheltered Accommodation	331	0	331	0	327	0	331	331
Community Care	1,263	0	1,306	0	1,287	0	1,287	1,287
Outreach Day Care & Occupational Therapy	343	0	343	0	392	0	392	392
Probation Services	18	0	18	0	12	0	12	12
Safe Haven	14	0	14	0	0	0	0	0
Social Care Emergency Response	0	0	0	0	80	0	80	80
Children Services	316	0	356	0	252	0	252	252
Adult Services	784	0	927	0	832	0	832	832
TOTAL OUTPUTS	8,788	368	10,618	427	9,466	73	9,434	9,434

HEAD 23: HEALTH AND SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Estimate Recurrent 2023/24 £'000	Estimate Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
REVENUE BY OUTPUT								
Local Medical	118	0	118	0	60	0	60	60
Overseas Medical	15	0	15	0	15	0	15	15
Hospital/Acute Care	31	0	31	0	42	0	26	26
Dental	33	0	33	0	26	0	25	24
Environmental Health	8	0	8	0	7	0	9	8
Laboratory	40	0	40	0	40	0	39	39
Bradleys Operations	56	0	56	0	0	0	0	0
Support Services	27	0	27	0	0	0	0	0
Family Centre	5	0	5	0	0	0	0	0
Supported Accommodation	0	0	0	0	9	0	9	9
Sheltered Accommodation	14	0	14	0	16	0	16	16
Community Care	94	0	94	0	94	0	94	94
TOTAL REVENUE	441	0	441	0	309	0	293	291
NET EXPENDITURE (REVENUE)	8,347	368	10,177	427	9,157	73	9,141	9,143

Note:

1. Appropriated under Head 23 are two new Outputs called Supported Accommodation and Social Care Emergency Response. Costs were previously allocated under Output Family Centre and Safe Haven respectively.

2. Included in the Total Outputs is an amount of £616k which is recharges between Heads of expenditure and Trading Accounts.

3. Included in Overseas Medical Output above is £230k for Aero Medical Evacuation and £2,100k 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 through sustainable growth of our natural capital, through providing professional and resourceful services. The portfolio has responsibility for programmes in agriculture, forestry, biosecurity, environmental protection and risk management, water and energy policy, terrestrial conservation, marine and fisheries conservation, marine compliance and enforcement, and a land planning and building control service.

The portfolio has seven 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.

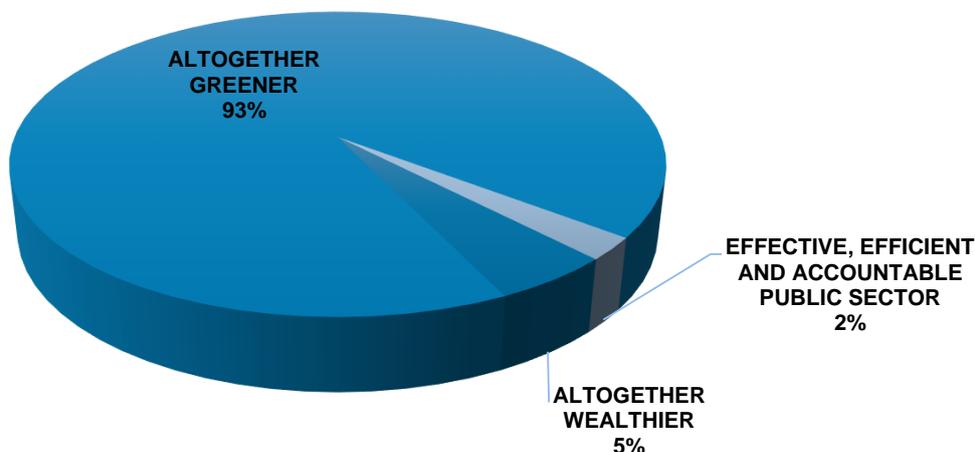
Priority 5 - Safeguard St Helena through implementation of a robust biosecurity system.

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

Priority 7 -Safeguard St Helena through delivery of water resource management planning and transitioning to greater green energy supply.

Contribution towards achieving the National Goals for St Helena 2024/25	£'000
Altogether Greener	1,528
Altogether Wealthier	84
Effective, Efficient and Accountable Public Sector	39
	1,651

CONTRIBUTION TOWARDS ACHIEVING THE NATIONAL GOALS FOR ST HELENA



Summary of Budgeted Expenditure and Revenue for 2024/25

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Environment, Natural Resources and Planning	1,651	0	127	(1,524)

HEAD 26: ENVIRONMENT, NATURAL RESOURCES AND PLANNING

Accounting Officer: Portfolio Director, Environment Natural Resources & Planning

	Original Recurrent 2023/24 £'000	Original Capital 2023/24 £'000	Revised Recurrent 2023/24 £'000	Revised Capital 2023/24 £'000	Estimate Recurrent 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000
EXPENDITURE BY OUTPUT							
Management & Administration	120	0	120	0	92	122	121
Forestry	238	0	238	0	232	232	232
Marine and Fisheries Enforcement	79	0	79	0	79	80	80
Biosecurity Services	48	0	48	0	48	46	46
Agricultural Support	352	0	352	0	332	345	350
Grounds Maintenance	62	0	62	0	59	59	59
Planning & Development Control	92	0	92	0	92	92	92
Upkeep of Public Facilities & Areas	31	0	31	0	34	34	35
Environmental Protection	71	0	71	0	74	76	78
Terrestrial Conservation	185	0	185	0	166	168	168
Marine Conservation	82	0	82	0	82	82	82
Environmental Risk Management	322	0	322	0	361	354	354
TOTAL OUTPUTS	1,682	0	1,682	0	1,651	1,690	1,697
REVENUE BY OUTPUT							
Forestry	17	0	17	0	22	22	22
Marine and Fisheries Enforcement	25	0	25	0	25	25	25
Biosecurity Services	1	0	1	0	1	1	1
Agricultural Support	46	0	46	0	50	50	50
Planning & Development Control	10	0	10	0	9	9	9
Environmental Risk Management	10	0	10	0	20	20	20
TOTAL REVENUE	109	0	109	0	127	127	127
NET EXPENDITURE (REVENUE)	1,573	0	1,573	0	1,524	1,563	1,570

Note:

Included in the Total Outputs is an amount of £322k which is recharges between Heads of expenditure and Trading Accounts.

ANNEX A:

**DETAILS OF SIGNIFICANT
POLICY DECISIONS**

**ESTIMATES OF RECURRENT AND
CAPITAL EXPENDITURE AND
REVENUE**

2024/25 — 2026/27

DECISIONS AFFECTING RECEIPTS

Since the 2023/24 Budget, the government has made the following significant decisions affecting SHG receipts.

Table A1: Summary of policy decisions affecting receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Head 17: Treasury —				
Annual indexation of alcohol and tobacco duty	-	20	20	20
Distribution from the Currency Fund	300	80	-	-
Drawdown of contingent funding from the UK Financial Aid Settlement to provide for unavoidable expenditures	1,704	-	-	-
Drawdown of contingent funding from the UK Financial Aid Settlement to support delivery of strategic policy objectives	-	500	-	-
Introduction of excise on electronic cigarettes and associated fluids	-	*	*	*
Removal of import duty on “zero alcohol” beers and ciders	-	*	*	*
Phased increase in taxation on locally produced alcohol	-	*	*	*
Reduction in rate of import duty on certain heavy vehicles and equipment	-	*	*	*
Recognition of the contingent component of Financial Aid Mission settlement	-	1,204	-	-
Total	2,004	1,804	20	20

Decisions affecting receipts in detail

Head 17: Treasury — Annual indexation of alcohol and tobacco duty

The rates of import duty on alcohol and tobacco have been increased.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Annual indexation of alcohol and tobacco duty	-	20	20	20

As in prior years, the government has increased the rate of import duty on alcohol and tobacco duty. Effective from 1 April 2024:

- import duty on tobacco has been increased by 2.1%
- import duty on alcohol has been increased by 1.1%

These increases are designed to discourage tobacco consumption and harmful alcohol consumption, and align with the government's overall policy objective to improve public health.

These changes apply to importations that occur on or after 1 April 2024.

Head 17: Treasury — Distribution from the Currency Fund

In 2023/24, the SHG received a distribution from St Helena Currency Fund.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Distribution from the Currency Fund	300	80	-	-

The Currency Fund provides for the stability of the island's currency by matching each St Helena Pound on issue with GBP. The balance of the fund is invested, which provides a financial return.

The *Currency Ordinance 1975* provides that the Currency Commissioners may, with the agreement of the Governor, provide any excess in the fund over a specified minimum balance to SHG as revenue.

The Currency Commissioners provided £300,000 to SHG in 2023/24, and will provide £80,000 to SHG in 2024/25.

Head 17: Treasury — Drawdown of contingent funding from the UK Financial Aid Settlement to provide for unavoidable expenditures

In 2023/24, the SHG drew additional funds from the contingent part of the financial aid settlement with the UK to provide for certain unavoidable expenditures.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Drawdown of contingent funding from the UK financial aid settlement to provide for unavoidable expenditures	1,704	-	-	-

The additional funding was used to meet an expected overspend in the medical referrals and aero medical evacuations, meet unanticipated legal costs, and meet SHG's contractual obligations under air services arrangements.

Receipt of these funds was subject to the agreement of the FCDO.

Head 17: Treasury — Drawdown of contingent funding from the UK Financial Aid Settlement to support delivery of strategic policy objectives

The government has reached agreement with the FCDO to draw down on the contingent part of the financial settlement with the United Kingdom to support the delivery of certain strategic policy objectives.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Drawdown of contingent funding from the UK financial aid settlement to support delivery of strategic policy objectives	-	500	-	-

Receipt of these funds reflects an agreement with the FCDO to accelerate work on key areas of policy development.

Most of these activities are discussed further in the "Decisions affecting payments" section.

It is anticipated that bringing forward this policy work will contribute to the financial sustainability of SHG by realising efficiencies and reducing costs in the long-run.

Head 17: Treasury — Introduction of excise on electronic cigarettes and associated fluids

The government has made an in-principle decision to impose taxation on electronic cigarettes and associated fluids.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Introduction of excise on electronic cigarettes and associated fluids	-	*	*	*

Electronic cigarettes, or vapes, are a common and increasingly popular substitute for tobacco. The health effects of vaping is not yet fully known or understood, but it is likely that vaping has detrimental health effects, relative to not smoking or vaping at all. Moreover, in other jurisdictions vaping has been identified as a pathway to tobacco smoking amongst younger people.

The specific rates of taxation to be applied will be determined after a period of consultation.

The imposition of taxation on electronic cigarettes is consistent with the government's efforts to reduce harm from tobacco consumption and supports the government's broader public health strategies.

These changes will not be applied before 1 October 2024, and will only commence once industry consultation has been undertaken on a specific proposal. Once implemented, the taxation arrangements for electronic cigarettes and associated fluids will be subject to ongoing monitoring to ensure they continue to be set at an appropriate level.

Head 17: Treasury — Removal of import duty on “zero alcohol” beers and ciders

The government has removed all beers and ciders with alcohol content of 0.5% or less from specific duty.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Removal of import duty on “zero alcohol” beers and ciders	-	*	*	*

Encouraging the consumption of low alcohol content beverages is consistent with broader efforts to reduce the harm from alcohol consumption on St Helena.

Many “zero alcohol” beverages contain trace amounts of alcohol that cannot be removed during the manufacturing process. A technical interpretation of the *Customs and Excise Ordinance 1999* could have caused such beverages to be subject to the specific duty that applied to higher strength beers and ciders.

To address this potential issue, the government has removed specific alcohol duty from all beers and ciders with an alcohol content of 0.5% or less.

Beverages with an alcohol content of 0.5% or less will be treated like ordinary goods and subject to *ad valorem* duty at a rate of 20% of their value.

These changes commenced on 1 April 2024.

Head 17: Treasury — Phased increase in taxation on locally produced alcohol

The government has decided to phase-in the changes to duty on locally produced alcohol that became effective on 29 September 2023.

Impact on receipts

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Phased increase in taxation on locally produced alcohol	-	*	*	*

On 29 September 2023, in an effort to address problem drinking and promote tax neutrality, the Executive Council increased duty rates on locally produced alcohol. This resulted in higher taxes on local spirits containing more than 22% alcohol and duty being imposed on all other locally manufactured alcoholic beverages for the first time.

The government remains committed to better align the tax treatment of locally produced alcohol with that of imported alcohol. In response to feedback from local businesses, however, these increases will now be implemented gradually. On 1 April 2024, the old duty rate for locally produced spirits with an alcohol content above 22% was reinstated and duty on all locally produced alcohol was removed.

Duty on locally produced alcohol will now be progressively applied, with the first increase anticipated for 1 October 2024. The rates will then increase each year in October until the rate of half the duty of imported alcohol products has been reached in October 2026.

Head 17: Treasury — Reduction in rate of import duty on certain heavy vehicles and equipment to 5%

The government has reduced the rate of import duty on certain heavy vehicles and equipment to 5%.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Reduction in rate of import duty on certain heavy vehicles and equipment to 5%	-	*	*	*

Under the *Customs and Excise Ordinance 1999*, the headline rate of import duty is 20%.

Previously, certain heavy vehicles and equipment — such as buses, lorries, fire trucks, cranes and concrete mixers — were subjected to import duty at a rate of 35%. The basis for the previous policy setting could not be determined.

The government recognised that the high cost of importing capital equipment is hampering economic development on the island, and decided to reduce the rate of duty to 5% on all vehicles and heavy equipment not subject to the CO2-based import duty regime.

This change is intended to contribute to creating an enabling environment, by enabling businesses to get the equipment they need to grow.

These changes apply to vehicles and equipment imported after 1 April 2024.

Head 17: Treasury — Recognition of the contingent component of Financial Aid Mission settlement

The contingent component of the FAM settlement has been provided up front.

Impact on receipts

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Recognition and appropriation of ring-fenced component of Financial Aid Mission settlement	-	1,204	-	-

As part of the 2024/25 FAM settlement, ring-fenced support funding under the Financial Aid package has been incorporated into the budget and appropriated. In prior years, this component was held back and only provided when required.

This change in approach has resulted in an increase to revenues, although this merely reflects the change in the point at which the revenues are received by SHG.

If required to be drawn on, this funding will be moved during the year to the relevant portfolio. If not required to be drawn on, this funding will be left unspent and returned at the end of the year.

DECISIONS AFFECTING PAYMENTS

Since the 2023/24 Budget, the government has made the following significant decisions affecting SHG payments.

Table A2: Summary of policy decisions affecting payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Multiple heads				
Cuts in administration budgets to reduce costs	-	-288	-186	-186
Head 12:				
Central Support Service —				
Data protection policy and law	-	nfp	-	-
Development of an SHG IT strategy	-	nfp	-	-
Supplementation of the Technical Cooperation Programme	41	-	-	-
Website redesign	-40	33	-	-
Head 14:				
Attorney General's Chambers —				
Additional funding for legal support services	19	-	-	-
Head 15:				
Safety, Security & Home Affairs —				
Additional funding to maintain access to essential immigration systems	-	36	36	36
Additional funding to meet unavoidable cost pressures	102	-	-	-
Rupert's operationalisation	-	100	98	98
Head 16: Judicial Services —				
Additional funding for appellate cases	5	-	-	-
Head 17: Treasury —				
Additional funding for legal costs associated with civil and criminal cases	94	-	-	-
Additional funding to meet the costs of air access	675	-	-	-
Additional funding to maintain critical Treasury systems	-	30	30	30
Exploration of sustainable funding mechanisms for healthcare and pensions	-	nfp	-	-
Freight Transport Subsidy supplementation and continuation	228	200	-	-
Funding for Deputy Chief Executive Officer for the Equality and Human Rights Commission	-	-	19	19

Table A2: Summary of policy decisions affecting payments (continued)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Head 17: Treasury (continued) —				
Funding for specialist legal advice for the Equality and Human Rights Commission	-	20	20	20
Grants for university students	-	10	10	10
Increase in subsidy to St Helena Hotel Development Ltd	-	50	50	50
Reduction in subsidy to Connect Saint Helena	-	-250	-250	-250
Review of the island's tax administration function	-	nfp	-	-
Review of commercial and potentially commercial SHG functions	-	nfp	-	-
Head 19: Economic Development —				
Additional funding to meet increased costs associated with St Helena Airport	-	150	150	150
Financial services and company registry development	-	280	-	-
Shipping contract management	-	nfp	nfp	nfp
Head 22: Education, Skills & Employment —				
Graduate Programme	-	40	40	40
Chromebooks for students at Prince Andrew School	-	-	-	-
Head 23: Health & Social Care —				
Additional funding to meet unmet demand for services	1,830	600	-	-
Commissioning the Hospital Generator project	-7	10	-	-
Installation of closed circuit television (CCTV) at Jamestown Hospital	-	8	-	-
Patient Source upgrade	-	55	-	-
Head 26: Environment, Natural Resources, & Planning —				
Recyclable waste household collection service		28	28	28
Total	2,947	1,112	45	45

Decisions affecting payments in detail

Multiple heads — Cuts in administration budgets to reduce costs

The government has decided to a cut a range of administration budgets to reduce costs.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Cuts in administration to reduce costs	-	-288	-186	-186

The cuts include:

- the abolition of positions that have remained vacant for prolonged periods and are considered non-essential;
- minor reductions in equipment acquisitions;
- minor reductions in training and associated international travel; and
- targeted changes to the mode of service provision where the change will not affect overall service quality.

These cuts have enabled the government to reallocate funding to higher priority areas of policy and service delivery.

Head 12: Central Support Service — Data protection policy and law

The government will progress the development and implementation of modern data protection policies and laws for St Helena.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Data protection policy and law	-	nfp	-	-

With the Equiano fibre optic cable becoming operational, St Helena is now as exposed to cybercrime and data theft as any other jurisdiction.

Additionally, the development of a modern financial services and professional services sector on St Helena cannot occur if the island's policies and legal frameworks do not support modern data protection standards.

The government will develop a data protection policy and enact supporting laws to ensure that St Helena is able to offer a safe and stable data environment for business, and protect St Helena residents from cybercrime.

The government will obtain the necessary legal and policy expertise to complete this work via a procurement process. The total amount allocated to this activity, therefore, is not for publication.

This work has been enabled by the agreement with the FCDO to draw down contingent funding from the UK financial aid settlement to support delivery of strategic policy objectives.

Head 12: Central Support Service — Development of an SHG IT strategy

SHG will develop an IT strategy to guide the modernisation of IT hardware and systems technology used in SHG.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Development of an SHG IT strategy	-	nfp	-	-

For SHG to full gain the benefits and efficiencies promised by the Equiano optical fibre cable, it will need to invest in new technology and systems, promote on-going institutional reform, and resolve outstanding connectivity issues.

The development of an SHG IT strategy will seek to ensure that all SHG IT design and acquisition decisions are guided by a clear set of principles, reflect international best practice and provide value for money; all within a safe and secure operating environment.

Appropriate expertise will be obtained via a procurement process. The total amount allocated to obtain this service is, therefore, not for publication.

This work has been enabled by the agreement with the FCDO to draw down contingent funding from the UK financial aid settlement to the support delivery of strategic policy objectives.

Head 12: Central Support Service — Supplementation of the Technical Cooperation Programme

The government has provided additional funding to the Technical Cooperation (TC) Programme.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Supplementation of the Technical Cooperation Programme	41	-	-	-

During 2023/24, it was expected that there would be an overspend in the Technical Cooperation Programme. The government, therefore, provided an additional £541,000 to the programme in the *Supplementary Appropriation (2023/24) Ordinance 2023*.

The overspend was ultimately much lower, and a withdrawal warrant was issued on 26 March 2023 to reduce the available funding by £500,000.

Head 12: Central Support Service — Website redesign

The government has decided to fund the redesigning of the SHG website in 2024/25.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Website redesign — rollover of funding	-40	33	-	-

Funding was allocated in the 2023/24 Budget for the redesign of SHG website.

A procurement process has been completed and the project will now commence in 2024/25.

The initial budget allocation has been reduced to reflect expected lower costs for this project.

Head 14: Attorney General's Chambers — Additional funding for legal support services

Additional funding has been provided to the Attorney-General's Chambers to provide additional legal support services.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding for legal support services	19	-	-	-

The Attorney-General's Chambers performs a critical role across government providing legal advice and legislative drafting. A properly resourced Attorney-General's Chambers is, therefore, essential for the government to be able to deliver its policy agenda.

Additional funding of £29,000 was provided in the *Supplementary Appropriation (2023/24) Ordinance 2023*. Not all that supplementation was required, and withdrawal warrant was issued on 26 March 2024 to reduce the funding by £10,000.

Head 15: Safety, Security & Home Affairs — Additional funding to maintain access to essential immigration systems

The government has agreed to provide the Safety, Security & Home Affairs Portfolio additional funding to ensure it continues to be able to access essential immigration databases and systems.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding to meet unavoidable cost pressures	-	36	36	36

The Safety, Security & Home Affairs Portfolio has been allocated additional funding to allow it to continue to access and utilise the Overseas Territories Regional Crime Intelligence System and the Entrust passport system and E-Visa website.

Head 15: Safety, Security & Home Affairs — Additional funding to meet unavoidable cost pressures

The government agreed to provide the Safety, Security & Home Affairs Portfolio additional funding to meet unavoidable cost pressures.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding to meet unavoidable cost pressures	102	-	-	-

The Safety, Security & Home Affairs Portfolio's original budget allocation for 2023/24 was supplemented primarily to allow the portfolio to continue its immigration control activities and ensure the safety and welfare of persons in SHG's custody.

Initial additional funding was provided in the *Supplementary Appropriation (2023/24) Ordinance 2023*, and further additional funding was provided in the *Second Supplementary Appropriation (2023/24) Ordinance 2024*.

Head 15: Safety, Security & Home Affairs — Rupert's operationalisation

Additional funding has been allocated to support the operationalisation of the Rupert's Port facilities.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Rupert's operationalisation	-	100	98	98

The Rupert's Port facilities are expected to be completed in late 2024. To ensure the operationalisation of Rupert's Port is swift and efficient, funding has been allocated for the following:

- maintenance to allow the continuation of safe docking of the cargo and fuel vessels, to protect the investment in Rupert's Jetty already made to date, and to achieve the maximum life span from the jetty infrastructure;
- the movement of large equipment from Jamestown to Rupert's Port;
- provide for maintenance of the port's large machinery; and
- ensure that the port has the right level of operational staffing so that all lifting operations can be carried out safely.

The swift operationalisation of the Rupert's Port contributes to the government's vision by providing for stable access to the island by sea.

Head 16: Judicial Services — Additional funding for appellate cases

Additional funding has been provided to Judicial Services to meet the expected costs of appellate cases.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding for appellate cases	5	-	-	-

The frequency and cost of appellate cases is difficult to predict, and the additional funding was necessary in 2023/24 to ensure appellate cases could proceed.

The additional funding was provided in the *Supplementary Appropriation (2023/24) Ordinance 2023*.

Head 17: Treasury — Additional funding for legal costs associated with civil and criminal cases

The government will provide additional funding to the Treasury to meet legal costs associated with civil and criminal cases on the island.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding for legal costs associated with civil and criminal cases	94	-	-	-

SHG provides funding for its own legal services via the Attorney-General and the Attorney-General's Chambers, and funds legal services for the community via the Public Solicitor's Office and the legal assistance scheme.

In significant or complex criminal and civil matters, both the Attorney-General and the Public Solicitor's Office often engage external legal expertise, including barristers from the UK.

During 2023/24 demand for external legal expertise exceeded initial budget allocations and supplementation is required.

Additional funding was made available by the *Second Supplementary Appropriation (2023/24) Ordinance 2024*.

This supplementation has been enabled by the agreement with the FCDO to drawdown contingent funding from the UK financial aid settlement.

Head 17: Treasury — Additional funding to meet the costs of air access

The government will provide additional funding to the Treasury Portfolio to meet the cost of island access in 2023/24.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding to meet the costs of air access	675	-	-	-

The contractual payments relating to SHG's obligations under the air service contract with Airlink exceeded initial budget allocations in 2023/24, and additional funding was required.

Additional funding was made available by the *Second Supplementary Appropriation (2023/24) Ordinance 2024*.

This supplementation has been enabled by the agreement with the FCDO to drawdown contingent funding from the UK financial aid settlement.

Head 17: Treasury — Additional funding to maintain critical Treasury systems

The government has allocated additional funding to maintain critical financial systems in the Treasury.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding to maintain critical Treasury systems	-	30	30	30

The vendor for Treasury's existing accounting software, the Access Group, has discontinued support for the "on-premises" version of Access Dimensions and that software is now at the end of its life.

While the Access Group has migrated all other Access Dimensions users to a cloud-based solution, several customers on St Helena, including SHG, continue to use the on-premises version.

The Access Group recognises the challenges on St Helena and so have prepared a bespoke solution for their St Helena clients to continue with the on premises version supported by an extended maintenance plan.

The extended maintenance plan is required to maintain services until such time as a decision is made on moving to the cloud-based system.

Head 17: Treasury — Exploration of sustainable funding mechanisms for healthcare and pensions

The government will engage a consultant to explore more sustainable funding arrangements for healthcare and pensions.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Exploration of sustainable funding mechanisms for healthcare and pensions	-	nfp	-	-

Currently, the island's aged pension arrangements are unfunded, and payments to those eligible is a recurrent expense for SHG. Likewise, the Island's healthcare system is largely unfunded, and represents a substantial call on the recurrent budget of SHG. As the island's population ages, the cost of both of these areas of expenditure are expected to grow.

The government has agreed to engage a consultant to undertaken a review of current funding arrangements and explore the development of contributory schemes to provide for the funding of pensions and healthcare into the future.

The government will decide what, if any, changes should be made to current pension and healthcare arrangements when it has received and considered the report of the consultant.

Appropriate expertise will be obtained via a procurement process. The total amount allocated to obtain this service is, therefore, not for publication.

This work has been enabled by the agreement with the FCDO to drawdown contingent funding from the UK financial aid settlement to support delivery of strategic policy objectives.

Head 17: Treasury — Freight Subsidy supplementation and continuation

The Freight Transport Subsidy will be continued for the first five voyages in 2024/25.

Impact on payments

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Freight Subsidy supplementation and continuation	228	200	-	-

The Freight Transport Subsidy which in the previous year subsidised just the cost of moving cargo, both containerised and LCL (less than container load), of food provisions (dry, chilled and frozen) and animal feed from Rupert's to Jamestown, will now be expanded to cover all cargo.

Based on the volumes of qualifying cargo being moved from Rupert's into Jamestown and the number of voyages for February and March 2024, further funding was required in 2023/24 to ensure that the subsidy could continue up until the end of that year.

Additional funding for 2023/24 was provided in the *Second Supplementary Appropriation (2023/24) Ordinance 2024*.

Additionally, the Freight Transport Subsidy will be continued until August 2024 — covering the first five voyages of 2024/25 — at which time the Field Road project is expected to be operational.

Head 17: Treasury — Funding for Deputy Chief Executive Officer for the Equality and Human Rights Commission

The government has agreed to fund a Deputy Chief Executive Officer position for the Equality and Human Rights Commission (EHRC).

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Funding for specialist legal advice for the Equality and Human Rights Commission	-	-	19	19

The creation of a Deputy Chief Executive Officer position within the EHRC will organisational effectiveness, ensure organisational continuity, promote legislative compliance and address recommendations from the Public Accounts Committee (PAC).

This key role will also take the EHRC a step closer to United Nations accreditation.

The position will be filled from 2025/26 onwards.

Head 17: Treasury — Funding for specialist legal advice for the Equality and Human Rights Commission

The government has agreed to make available up to £20,000 to the Equality and Human Rights Commission (EHRC) for specialist legal advice.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Funding for specialist legal advice for the Equality and Human Rights Commission	-	20	20	20

The EHRC will be able to draw down on up to £20,000 to obtain specialist legal advice. Any amounts not drawn will be returned to the budget.

This funding will enable the EHRC to better protect and promote individual rights on the island.

Head 17: Treasury — Grants for university students

The government will make funding available to provide grants to support students attending university.

Impact on payments

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Grants for university students	-	10	10	10

The government recognised the high cost of obtaining university education overseas.

The government has allocated £10,000 to provide financial grants for students attending university abroad. The exact amount of any individual grant will depend upon the number of eligible recipients.

Head 17: Treasury — Increase in subsidy to St Helena Hotel Development Ltd

The government had decided to increase the subsidy to St Helena Hotel Development Ltd.

Impact on payments

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Increase in subsidy to St Helena Hotel Development Ltd	-	50	50	50

St Helena Hotel Development Ltd provides a key part of the government's support for the tourism industry on the island by providing a quality accommodation and hospitality offering to visitors.

The subsidy arrangement with St Helena Hotel Development Ltd is intended to support the hotel become commercially viable in the medium-term.

The government has agreed to increase the subsidy from 2024/25 to bring the total subsidy to £200,000 per annum from 2024/25 to 2026/27.

Head 17: Treasury — Reduction in subsidy to Connect Saint Helena

The government has decided to reduce the subsidy to Connect Saint Helena Ltd.

Impact on payments

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Reduction in subsidy to Connect Saint Helena	-	-250	-250	-250

In December 2023, the Utilities Regulatory Authority agreed to tariff increases for electricity and water for the period 01 January 2024 to 30 June 2024 that will allow Connect to become more financially sustainable, with a second review of tariffs taking place in May and June 2024.

The government has determined, therefore, that the level of subsidy to Connect Saint Helena Ltd is now able to be reduced without compromising the financial viability of that entity.

This decision has enabled the government to reallocate this funding to higher priority areas of policy and service delivery.

Head 17: Treasury — Review of the island’s tax administration function

The government will engage a consultant to review the island’s tax administration function.

Impact on payments

	2023/24 £’000	2024/25 £’000	2025/26 £’000	2026/27 £’000
Review of the island’s tax administration function	-	nfp	-	-

The island’s tax administration function is small and has limited resources, which reflects the small-scale nature of St Helena as a jurisdiction.

Despite this, there is scope to increase the efficiency of the island’s tax administration function and enhance tax compliance. Digitisation of the island’s taxation function is a key priority for the government.

The government has agreed to engage a consultant to review the tax administration function.

Appropriate expertise will be obtained via a procurement process. The total amount allocated to obtain this service is, therefore, not for publication.

This work has been enabled by the agreement with the FCDO to drawdown contingent funding from the UK financial aid settlement to support delivery of strategic policy objectives.

Head 17: Treasury — Review of commercial and potentially commercial SHG functions

The government will engage a consultant to review parts of SHG’s current functions that are commercial in nature, or that could be delivered on a more commercial basis.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Review of commercial and potentially commercial SHG functions	-	nfp	-	-

The island has limited financial resources but faces increasing service delivery pressures.

The government is committed to ensuring that its limited resources are directed to the highest priority areas of expenditure, and that supporting services are delivered efficiently and effectively.

The government has identified functions that may be able to be delivered more cost effectively and at a higher standard by the private sector than by SHG. These areas include roads and building maintenance, and corporate support services such as transport and IT.

The government has agreed to engage a consultant to assess whether there could be efficiency gains by restructuring commercial or potentially commercial SHG functions, and whether any functions are suitable for divestment.

The government will not make any decision regarding any specific divestment proposal until it has received and considered the report of the consultant.

Appropriate expertise will be obtained via a procurement process. The total amount allocated to obtain this service is, therefore, not for publication.

This work has been enabled by the agreement with the FCDO to drawdown contingent funding from the UK financial aid settlement to support delivery of strategic policy objectives.

Head 19: Economic Development — Additional funding to meet increased costs associated with St Helena Airport

Additional funding has been allocated to meet increased costs associated with the St Helena Airport.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding to meet increased costs associated with St Helena Airport	-	150	150	150

SHG is obligated to ensure certain minimum levels of service provision and certification, such as weather forecasting and the provision of the fuel service, to ensure the St Helena Airport maintains certification at the appropriate level. These obligations are distinct from the obligations on the operator of the airport, St Helena Airport Limited.

During the COVID-19 period, the cost to SHG of maintaining the various services and certifications was effectively reduced due to the limited use of the airport, and the limited capacity for certification personnel to travel to and from the island. In some cases, regulatory bodies provided interim regulatory relief from certain requirements.

The post pandemic return to normality, continued use of temporary equipment and infrastructure, the ageing of assets, and harsh environmental conditions mean that additional funding is essential to the effective and ongoing provision of services to St Helena Airport.

Recent high price inflation has also caused cost increases under the terms of existing service contracts.

Head 19: Economic Development — Financial services and company registry development

The Economic Development Portfolio has been allocated additional funding to further develop St Helena’s financial services and company registry.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Financial services and company registry development	-	280	-	-

St Helena’s business environment needs to be modernised, particularly its financial services sector and corporate law framework. The current legal framework governing companies on the island also requires a comprehensive overhaul to better align with the evolving demands of the global business landscape.

The government is also embarking on a pioneering initiative to develop a comprehensive digital autonomous organisation (DAOs) policy, accompanied by the creation of a novel legal framework. The aim is to legally recognise DAOs as a novel category of companies, offering them legal protections and advantages akin to those enjoyed by traditional limited liability companies.

St Helena also aims to enhance its competitiveness and attractiveness in comparison to other jurisdictions, positioning itself as a compelling destination for businesses seeking a progressive and accommodating environment. Central to this aim is the removal of existing barriers that hinder overseas companies from registering themselves and establishing a presence on the island.

Reforming the financial services sector and corporate law framework will require significant legislative change.

This work has been enabled by the agreement with the FCDO to drawdown contingent funding from the UK financial aid settlement to support delivery of strategic policy objectives.

Head 19: Economic Development — Shipping contract management

The Economic Development Portfolio has been allocated additional funding to assist with the management of the island's shipping contract.

Impact on payments

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Shipping contract management	-	nfp	nfp	nfp

Stable and predictable sea access is a key part of the government's objective to create and an open and accessible island.

The government has identified the need for additional legal and consultancy support in order to adequately support the management of St Helena's shipping service contract. This will ensure that the island's shipping service is predictable, reliable and cost effective.

Appropriate expertise will be obtained via a procurement process. The total amount allocated to obtain this service is, therefore, not for publication.

Head 22: Education, Skills & Employment — Graduate Programme

The government has agreed to provide funding to support the employment of graduates returning from tertiary study overseas.

Impact on payments

	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
Graduate Programme	-	40	40	40

The government will provide additional funding to the Education, Skills & Employment Portfolio to ensure that all graduates seeking to obtain positions within SHG upon their return from tertiary studies in the UK will have access to a suitable position within SHG.

Enhancing the opportunities on the island for residents who have undertaken tertiary studies abroad is a key part of improving the opportunities for young people on St Helena.

Head 22: Education, Skills & Employment — Chromebooks for students at Prince Andrew School

The government has arranged to provide access to Chromebooks to all students at the Prince Andrew School.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Chromebooks for students at Prince Andrew School	-	-	-	-

With the lighting of the Equiano optical fibre cable and the opportunities that this presents for St Helena and its young people, the government is seeking to improve access to technology for all students in secondary school by making Chromebooks available to all students at Prince Andrew's School.

It is recognised that currently our young people are at a disadvantage as a large majority of them do not have access to technology at home. This hinders their ability to access essential learning tools and resources that are available on devices and through access to the internet. This, in turn, impacts on their learning as their ability to access essential resources for homework activities is limited.

The total amount necessary for the acquisition of the necessary Chromebooks is estimated to be around £130,000.

Funding for this acquisition has been generously provided via the FCDO's Essential Equipment Programme.

Head 23: Health & Social Care — Additional funding to meet unmet demand for services

The government agreed to provide the Health & Social Care Portfolio additional funding to meet unmet demand for services.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Additional funding to meet unmet demand for services	1,830	600	-	-

The most significant area of greater demand for services in 2023/24 related to overseas medical referrals and aero medical evacuation.

Many overseas medical referrals and aero medical evacuation cases in 2023/24 were statistically unlikely for a population the size of St Helena, and the overall level of referrals was not incorporated into original estimates.

The additional allocation was partly made possible following the agreement of the FCDO to allow for the drawdown of contingent funding from the UK financial aid settlement. Savings of £42,000 from elsewhere within the Health & Social Care Portfolio were also been applied to meet this funding pressure.

Initial additional funding was provided in the *Supplementary Appropriation (2023/24) Ordinance 2023*, and further additional funding was provided in the *Second Supplementary Appropriation (2023/24) Ordinance 2024*.

The government has also increased the allocation of the Health & Social Care Portfolio by £600,000 in 2024/25 to better align the budget allocation with likely demand.

Head 23: Health & Social Care — Commissioning the Hospital Generator project

Additional funding will be provided in 2024/25 to support commissioning the new Hospital Generator.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Commissioning the Hospital Generator project	-7	10	-	-

The Hospital Generator project will be completed in 2024/25, with the commissioning of the uninterruptable power supply (UPS) to take place in May 2024.

Head 23: Health & Social Care — Installation of closed circuit television (CCTV) at Jamestown Hospital

Closed circuit television (CCTV) monitoring equipment will be installed at Jamestown Hospital to safeguard service users, staff and visitors and protect high-value equipment on site.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Installation of closed circuit television (CCTV) at Jamestown Hospital	-	8	-	-

CCTV in public buildings is a minimum baseline safety and security measure in many other jurisdictions. The installation of CCTV will provide a deterrence effect and allow any incidents to be effectively investigated.

To ensure privacy, the installation of CCTV monitoring equipment will be limited to the public areas of the Jamestown Hospital campus and appropriate data retention and access protocols will be developed and implemented prior to the system becoming operational.

This funding will be appropriated as a capital appropriation.

Head 23: Health & Social Care — Patient Source upgrade

Capital funding has been provided to the Health & Social Care Portfolio to upgrade the Patient Source system.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Patient Source upgrade	4	55	-	-

Patient Source is a critical system for managing patient records and improving care outcomes.

The government agreed to provide additional funding to the Health & Social Care Portfolio to allow it to upgrade its version of Patient Source, including by utilising greater cloud-based functions that are now possible due to the Equiano optical fibre cable becoming operational.

Funding of £59,000 was initially appropriated as a capital appropriation in the *Supplementary Appropriation (2023/24) Ordinance 2023*. The government has agreed to provide £55,000 of funding in 2024/25 for this project.

Head 26: Environment, Natural Resources, & Planning — Recyclable waste household collection service

The government will establish a recyclable waste household collection service.

Impact on payments

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
Recyclable waste household collection service	-	28	28	28

SHG currently operates a recycling collection facility from communal hubs. The government has agreed to extend the recycling collection programme to households.

The implementation of a recyclable wastes collection service will demonstrate adaptation and resilience, and support climate change mitigation.

The recyclable waste will be transferred to the collection service and will feed the materials recycling facility at Horse Point, where such waste as beverage and food cans, plastic bottles, cardboard and textiles can be processed for baling. This will mean that those materials will avoid the landfill, which will extend the life of the site.