



GOVERNMENT OF ST HELENA

BUDGET SPEECH

**HON MINISTER FOR TREASURY AND
ECONOMIC DEVELOPMENT**

2025/26

Contents

Introduction	3
Budget Context	3
Achievements of the Last Budget Period	5
Accelerated Policy Development	6
Maritime and Immigration Reform	6
Telecommunications and the Equiano Cable	7
Tourism Recovery and Development	7
Financial Services Progress	8
Capital Programme Delivery	8
Enabling the Private Sector	8
Education Reform	9
Policy Choices and Priorities for 2025/26	9
Investing in Our People	10
Public Sector Pay	10
Pension Uplifts	10
Better Life Allowance	10
Graduate & Apprenticeship Schemes	11
Capacity Constraints and Technical Cooperation (TC)	11
Sustainable Economic Development Strategy (SEDS)	11
The Financial Services Work Programme	12
Tourism Development	12
Access	13
Blue and Green Agenda	13
Capital Infrastructure and EDIP	13
Realising the Benefits of the Cable	14
British Indian Ocean Territory (BIOT) Funding	14
Education	15
Health	15
The Challenges Ahead	16
Our Fiscal Challenge	16
Building Realistic Expectations	17
Taxation Policy	18
Budget Allocations for 2025/26	18
Conclusion	19

Introduction

Madam Deputy Speaker,

I rise today to move that the Appropriation Bill for 2025/26 be approved in principle and referred to a committee of the whole Council.

It is both an honour and a moment of reflection as I present what will be the final budget under this first ministerial form of government - and my final budget as the Minister responsible for Finance.

Last year, I stood here and emphasised the importance of teamwork across all sectors of our island. This year, I can say with confidence: that teamwork is delivering results and I therefore encourage this to continue.

Our shared vision remains steadfast - to empower the people of St Helena to shape their own futures, create their own opportunities, and to do so without leaving anyone behind.

This year, I want to shift the focus slightly - to valuing and investing in our people. Government's role is to create the conditions for prosperity, not to micromanage it and together, I believe we have laid the foundation on which the next government can continue to build a strong and sustainable future for all.

Madam Deputy Speaker, our priority is clear: we aim to create an enabling environment that allows people and businesses to thrive, while preserving what makes St Helena unique.

Budget Context

Madam Deputy Speaker,

As always, we are grateful for the ongoing support of His Majesty's Government, particularly through the provision of financial aid which continues to underpin our essential services.

This year, following coordinated and determined representation, we successfully secured a **5% increase** in core financial aid - equating to an additional **£1.7 million**. This brings our total core financial aid to **£35.79 million** up from £34.06 million in 2024/25.

In addition, we've been allocated **£13.5 million** for capital expenditure - a substantial investment in the island's infrastructure that I'll detail later in this speech.

In the context of the UK's own fiscal tightening - including a reduction in the Foreign Aid budget from 0.5% to 0.3% of Gross National Income (GNI) - this support is not just generous, I believe it depicts a vote of confidence in the direction of travel St Helena is heading, and the hard but much needed steps we are taking in moving the island forward.

I want to publicly thank everyone involved in securing this outcome. It was a true team effort - an example of what can be achieved if we work with shared purpose.

We also secured an **additional £6.65 million** through our cooperation with the UK on interim arrangements for BIOT. While this funding sits outside the formal aid package, it will play a crucial role in delivering key government priorities.

Together, this means that St Helena is well placed to receive nearly **£56 million** in support this year - a significant step forward in our journey of transformation.

Madam Deputy Speaker we have also grown the relationship with the wider UKG, in addition to direct financial aid and capital funding we have established working relations with the likes of the Health Security Agency (HSA), Hampshire County Council, Government Legal Department (GLD), Maritime Coastguard Agency (MCA), Ministry of Justice, the Department for Transport and His Majesty's Revenue & Customs HMRC. These agencies have made available resources to support our specific priority work streams that supplement the recurrent and capital budgets and provided us with much needed human expertise in respect of training, advice and guidance.

In addition we have been successful in securing funding for specific projects such as the Peaks National Park (Cloud Forest Restoration Project) through the Royal Society for the Protection of Birds (RSPB), and Blue Belt funding to support the continuation of our wider marine protected area works and management.

However, we must not lose sight of the bigger picture. Despite these gains, our public finances remain under pressure. Let me be clear: this is not a reflection of mismanagement - it is the result of increasing demand on services, the real cost of past underinvestment in essential service, and a shrinking working aged population.

Our General Reserve is now below the **recommended minimum of £5 million**, a position we've held for two years. At the start of this government's term, that reserve was healthy. However the cost of plugging historic service gaps and dealing with emerging historic litigation claims - particularly in Health and Social Care - has required us to draw heavily on the General Reserve.

Madam Deputy Speaker, it's important to dispel a dangerous myth: **there is no endless pot of money**, and the UKG will simply not bail us out of every challenge. In fact, HMG has been very clear and has stated that any compensation payments as a result of litigation or responding to major shocks may require us to borrow and repayment will need to come out of the recurrent budget, and that means more difficult decisions ahead.

Inflation for the final quarter of 2024/25 stood at **6.8%**, though forecasts suggest this will drop to around **3.3%** in 2025/26. Still, global instability from the Middle East to Ukraine continues to affect supply chains, prices, all of which impact negatively on our island's cost of living.

St Helena experienced higher price inflation in 2025 than in 2024, much of which was due to the increase in the cost of electricity, caused by the high price of imported diesel. Over the last four years from March 2021 to March 2025, according to the St Helena Consumer Price Index, prices increased by 17% on average. This is nonetheless lower than the increase in the Consumer Price Index in the UK over the same period, which increased by 25%.

For those on lower incomes, the St Helena minimum wage is now £4.00 an hour, and it is set to increase to £4.50 from the 1st July this year. This is 38% more than the 2021 rate of £3.25 an hour, an increase which is more than double the rate of inflation.

Madam Deputy Speaker, I must touch on population. Our resident population has declined again - from **4,099 in December 2023** to **4,048 in October 2024**. Of concern, the number of working-age residents fell by 47, while the number of residents aged 65 and over rose by 37.

This demographic shift challenges our sustainability - but it also highlights some success. For the first time, the decline appears more linked to natural causes - births and deaths - than outward migration. This shows some progress in retaining our people, and this budget will further demonstrate our efforts to grow our working-age population with an asserted attempt being made to do all we can to make St Helena a more attractive place to live, work, and do business.

Achievements of the Last Budget Period

Madam Deputy Speaker,

In last year's Budget Speech, I outlined a number of key priorities and investments. Today, I'm pleased to report on the tangible progress we've made across several areas.

Accelerated Policy Development

We have committed £500,000 to accelerate policy development in critical areas. Here's how that has unfolded:

- A **Data Protection Policy** has been endorsed by Executive Council, and the next step is to prepare the drafting instructions for legislation.
- Procurement of a Digital Transformation Consultancy to develop a new **SHG Digital and ICT Strategy** with supporting Implementation Plan is near completion
- Work to explore sustainable financing of **Health and Social Care** is progressing, with Terms of Reference drafted for the consultancy to explore for example, a National Health Contributory Scheme.
- We've engaged HMRC support for a **Tax Administration Review**, which will be carried over into 2025/26.
- A review of **core and non-core government services** was delayed due to resource constraints, but remains a priority.
- On SHG's state-owned enterprises, we've begun assessments starting with St Helena Hotel Development Ltd, and will move on to Bank of St Helena Ltd and Solomon & Company Plc.

Importantly, we also **modernised our financial and professional services policy framework**, including adopting the Financial Services Regulation Policy 2025 and enacting the Companies (Amendment) Ordinance. This lays the groundwork for stronger governance, better consumer protections, and the growth of this emerging sector.

Maritime and Immigration Reform

This year progress was made in updating the MSO and ships registry, with safety codes set to follow. The first Maritime Coastguard Agency (MCA) audit was completed, moving us closer to fulfilling our international obligations and the MOU with the UK Government.

In December 2024, this House approved significant immigration reforms. Regulations have been approved and will be enacted on completion of the asylum rules. We have secured access to the UK Watch List - a tool that strengthens border security whilst encouraging controlled immigration. This is a vital step in growing our workforce and population and speaks to strengthening our working relationship and partnership with UKG, which is crucial, if it remains our aim to keep the UKG well informed of the challenges and opportunities facing our island. We must

demonstrate our desire to strive for a better St Helena, with a hand-up rather than a hand-out mentality.

Telecommunications and the Equiano Cable

October 2023 was a turning point. We officially connected to the **Equiano Cable**, marking the start of a new digital era.

Since then:

- We approved a new **Telecommunications and Networks Services Policy**.
- Legislation for a modern telecoms framework is drafted and this is intended to come to this House in June.
- We welcomed **OneWeb's satellite ground station** at Horse Point—bringing new investment, jobs, and a meaningful fiscal contribution.

Crucially, OneWeb is now drawing bandwidth from the cable—contributing to the infrastructure cost and easing the burden on local consumers.

Tourism Recovery and Development

Tourism has bounced back, with **total arrival numbers in 2024/25 surpassing pre-pandemic levels**. This is a testament to both the resilience of our sector and the strategic investments made.

Thanks to our partnership with FCDO:

- We invested **£86,000 in infrastructure improvements**, including Jamestown Market, Castle Gardens, and new Post Box Walks.
- We enhanced High Knoll Fort in partnership with the National Trust and supported marine activity through a water sports equipment hire initiative with New Horizons Youth Club.
- We launched **training programmes** for current and aspiring tourism professionals.
- We spent **£265,000 on global marketing**, sponsored international events, and hosted familiarisation trips for journalists and tour operators.

The result - St Helena is once again firmly on the map as a unique and emerging travel destination. It is our collective responsibility to continue thriving of this platform.

Financial Services Progress

Under our Financial Services Programme:

- We've nearly finalised the **Beneficial Ownership Register**.
- We conducted a thorough **assessment of the Bank of St Helena**, including contingency planning and development of a forward-looking Banking Strategy.
- We laid the foundation for a **values-based Company Registry**, targeting ESG-conscious businesses and high-governance firms.
- We've strengthened our Anti-Money Laundering regime and moved closer to full alignment with international standards.

This is more than policy—it's about creating a new economic pillar that upholds our values, safeguards our reputation and embrace new and emerging technology firms.

Capital Programme Delivery

Over **£4.6 million** was invested in economic infrastructure during last financial year, with highlights including:

- Completion of the **Agricultural Production Project**
- Feasibility and progress on the **Bulk Fuel Installation**
- Near completion of the **R2 Road Project**
- Advancements on **Rupert's Port**, with operations expected to shift in 2025
- Micro-projects for example the **disabled access at the Education Learning Centre**
- Essential equipment upgrades across **health, transport, and airport security**

This capital programme didn't just deliver assets - it provided a significant fiscal stimulus, particularly in the construction sector.

Enabling the Private Sector

We have made important strides in reducing barriers to business:

- A new **Property Purchase & Disposal Policy** offers up to **60% discounts for first-time home buyers** and continue incentives for SEDS related businesses
- A transparent **property disposal plan** has been published
- The **Approved Investor Committee** approved six new projects worth **£770,000**

- A 5 year long term Shipping Service contract has been secured with options to extend
- A longer term 3 year rolling Air Services agreement with Airlink has also been secured
- Access to banking has been improved for overseas investors
- A revised **Stamp Duty Policy** has been agreed, offering new reliefs for St Helenians and making property more accessible

We've also awarded **230 certificates** in customer service and hospitality training - upskilling our workforce and raising service standards across the board.

Education Reform

Madam Deputy Speaker, I must highlight one of our proudest achievements: The Education Review.

In 2024/25, we:

- Laid the foundation for a **two-school model** focused on key learning stages
- Adopted the **COBIS standards framework**
- Commissioned a comprehensive **review of primary education**, supported by Hampshire Local Authority
- Prepared an **EDIP bid** to support infrastructure improvements
- Engaged with parents, educators, and UKG to ensure alignment and support

Education is not just a budget line - it is our commitment to future generations, and I'll speak more on this under our 2025/26 budget.

Policy Choices and Priorities for 2025/26

Madam Deputy Speaker,

As we enter the final year of this Government, I would wish to repeat - that our focus remains clear: to **build on the reforms we've started** and ensure that the next Government inherits strong foundations for continued growth and social progress.

Working closely with the public service, Cabinet has identified several **key investment areas** for 2025/26. These priorities reflect not only the Government's long-term vision but also the urgent needs of our people today.

Investing in Our People

At the heart of this budget is one of the most important commitments a government can make: **investing in its people**.

Public Sector Pay

This year, we are allocating **£750,000** to raise the salaries of the lowest-paid public servants. This recognises the vital contribution of our workforce and addresses a long-standing imbalance in pay scales.

SHG has long aimed to bring public sector salaries up to at least **60% of the UK's 2019 National Joint Council (NJC) scale**. I'm proud to report that this Government, through continued investment in the minimum wage and this year additional funding allocation will ensure that our lowest pay grades will now reach **around 55%** of the UK's 2019 NJC — a significant step forward from the **35%** position where we started in 2021.

However, this pay uplift comes with a renewed commitment to **performance management**. Every public servant must be accountable for delivering on their objectives. Notably, this increase does **not** apply to senior civil service pay bands, which remain unchanged, however the performance management across all levels of the public service must be maximised, from the top to the bottom.

Madam Deputy Speaker this is a significant increase for the lowest paid, coupled with the continued increase in minimum wage. This means that there is a sizeable increase in disposal income, which should help to stimulate our wider economy.

Pension Uplifts

We have also funded a **5.5% increase** in public sector pensions - supporting and recognising those who dedicated their careers to serving our community.

Similarly, the **Basic Island Pension** will rise by 5.5%, setting a new maximum weekly rate of **£85 or £340 per month** for those who are entitled to full qualifying years.

Better Life Allowance

This vital allowance will also increase by **5.5%**, offering further relief to those most in need.

Together, these adjustments respond to the rising cost of living and demonstrate our commitment to those who rely most on government support.

Graduate & Apprenticeship Schemes

We are expanding both the **graduate** and **apprenticeship schemes** to support the next generation of skilled workers and leaders. This investment we hope will encourage our existing students to study hard and aim high.

We are constantly stating that our young people are the future—and I am pleased that this budget puts action behind those words.

Capacity Constraints and Technical Cooperation (TC)

The TC programme remains under immense pressure. In 2024/25, we **over-programmed by 16%**, resulting in a £400,000 overspend. The demand for skilled professionals—particularly in Health, Education, and Infrastructure Development — continues to grow.

To address this, we have allocated an additional **£300,000** to the TC budget for 2025/26. A **new international recruitment strategy** has been developed that is aimed at sourcing skills from compatible pay markets and encouraging skilled Saints abroad to return home. The long term goal is to be able to utilise the TC programme for its original intended purpose of filling key specialist posts, responding to short term labour constraints and building capacity.

Sustainable Economic Development Strategy (SEDS)

Now one year into implementation, the **revised SEDS** offers a pragmatic and honest look at what has—and hasn't—worked in the past. It focuses on six objectives:

1. **Open and Accessible** – welcoming people, capital, and culture
2. **Productive** – increasing labour force participation and investment
3. **A Breath of Fresh Air** – protecting what makes us unique
4. **A United Island** – ensuring shared benefits
5. **Effective Infrastructure**
6. **Better Government**

Key progress includes:

- Higher government tax revenues
- Implementation of the **Barrier Reduction Plan**
- A 3-year rolling contract with **Airlink**

- A modernised approach to **crown property disposal**
- Prioritised EDIP projects
- Movement on **telecom licensing**, financial services reform, and investor facilitation

The SEDS is the roadmap to our economic future— one that is realistic, transparent, and people-centred.

The Financial Services Work Programme

We are continuing our £320,000 commitment to financial services development.

This year, we will:

- Finalise and adopt a **Banking Sector Strategy**
- Begin **comprehensive legislative reform**, starting with updates to our anti-money laundering and financial crime frameworks
- Launch consultations on a new **values-based Company Registry**, designed to attract innovative, ethical firms
- Propose a **new corporate vehicle** built around ESG and sustainability principles

This is about positioning St Helena not only as a compliant jurisdiction - but as a **trusted and forward-thinking one**, key characteristics for attracting and encouraging local and international investors.

Tourism Development

We are continuing our work in tourism with another **£500,000** being allocated from the FCDO. The focus will remain on:

- **Enhancing the visitor experience**
- **Building sector capacity**
- **Marketing the island**, especially in the off-peak seasons

The number of passengers arriving on the air service has returned to pre-pandemic levels, and this continued investment will help us to sustain and grow even further. We're also working closely with Airlink, Customs, Immigration, and the Airport to ensure a **seamless experience** for all who come to St Helena.

Access

We now have **long-term agreements** in place for both shipping and air services. We continue to explore **MACS Option A**, which would allow us to draw cargo from larger vessels passing by - potentially **reducing freight costs significantly**.

Blue and Green Agenda

Madam Deputy Speaker we continue our initiatives for a greener jurisdiction by promoting environmental sustainability, conservation and responsible waste management. We will soon be rolling out for the first time on St Helena a household recyclable collection services that reduces landfill use and encourages responsible consumption.

Capital Infrastructure and EDIP

Madam Deputy Speaker,

This year, we see a significant boost in capital funding—**£13.5 million**—a substantial increase that reflects the confidence placed in our capacity to deliver.

We are carefully finalising how this funding will be allocated, but I can share some key intentions:

- Around **£7 million** will go towards the **Bulk Fuel Installation**, the **Airport Fuel Facility**, and **restoring additional diesel storage**. These investments are critical to energy security and stabilising—if not reducing—the cost of ground fuels across the economy.
- A further **£5 million** is earmarked to complete existing projects such as the **Rupert's Port development**, **technical support for EDIP**, **wastewater upgrades**, and **micro-projects** all of which make a real difference to local communities.
- Additional funds will support **new pipeline initiatives** - from **renewables** and **the Prison Project** to a **backlog maintenance programme** for roads and government properties.
- Importantly, **£1.5 million is ring-fenced for the Airport**, specifically to replace essential operational equipment.

Madam Deputy Speaker, this level of investment will provide significant fiscal stimulus for our private sector—particularly construction and supporting services; but

it also comes with responsibility. Every pound must be spent efficiently, and every project must be delivered to standard and on schedule to ensure value for money.

To mitigate risks, our Steering Committee is designing a **flexible programme**, where projects can be scaled up or down depending on readiness. This approach ensures we can **meet spending targets** despite potential delays or capacity constraints, to avoid the potential of losing funding which is time bound to the end of this financial year.

Realising the Benefits of the Cable

Madam Deputy Speaker,

Connecting to the Equiano Cable was only the first step. The challenge now is to **unlock its full potential**.

To that end:

- The **Telecommunications Bill** is anticipated to come before this House in June, creating the modern legal framework needed for competition, consumer protection, and regulatory oversight.

Our objective is simple: we want a deal that is **right for St Helena** - one that incorporates **future-proof technology**, meets public and business expectations, and offers value for money.

To that end I can confirm that SHG are in discussions with the current incumbent about the options for a long term telecommunications licence. This would see a significant investment into the network allowing the ability to provide superfast broadband and meet the minimum requirements of this Government.

In parallel, we continue to receive strong interest from **international satellite operators**. The groundwork laid by OneWeb's ground station has opened the door to further private investment and greater usage of the cable's capacity—helping to reduce long-term telecom costs for all.

British Indian Ocean Territory (BIOT) Funding

Madam Deputy Speaker,

As mentioned earlier, St Helena secured an additional **£6.65 million** through our agreement to support the UK's interim arrangements for BIOT. This is a separate funding stream from Financial Aid, but no less important. Here's how we're putting it to work:

1. **Overseas Medical Referrals** – £1.65 million to clear the patient backlog. This is already helping reduce pressure on our health budget.
2. **Preventative Health Care** – £1.5 million to launch new preventative services, starting with **audiology** and longer-term health strategies.
3. **Education Reform** – £2 million over three years to support structural improvements, training, and capacity-building in our schools.
4. **IT Infrastructure** – £1.5 million to overhaul SHG systems, to enable the implementation of Office 365, the deployment of **cybersecurity AI**, and begin **cloud migration**.

These investments are targeted, strategic, and designed to create **lasting improvements** in public service delivery.

Madam Deputy Speaker, a proactive approach with well-defined negotiation tactics led to securing this funding. I believe we're using it wisely as it is in -line with our vision and core strategies - to address pressing needs and create longer-term benefits for the people of St Helena.

Education

Madam Deputy Speaker I'm pleased that in addition to the £2.0 million funding allocated out of the BIOT funding we have allocated an additional £300,000 to education as we look to implement a number of smaller projects within the overall reform programme.

In addition, a capital bid for EDIP funding to support the reorganisation/reform programme has also been agreed. The details are being finalised but this capital funding will make the necessary infrastructure changes needed to support the implementation of the COBIS standards and the reorganisation project.

Health

This year we are undertaking a comprehensive review of our healthcare system, supported by the UK Health Security Agency. This review will define realistic health and social care standards for St Helena, considering our remote location and limited resources. These standards will help guide future planning, budgeting, and policy priorities. A key outcome will be the shift toward a preventative healthcare model—

beginning with a strategy focused on tackling diabetes, which remains one of our island's most pressing health challenges.

We also face growing pressures due to our ageing population and increasing demand on social care services. To address this, we have developed workforce strategies, initiated international recruitment, and launched policy reviews around long-term care and domiciliary services. While strategic use of specialist visiting services has helped alleviate some of the burden, the underlying reality remains—our current healthcare model is unsustainable without continued external support.

The BIOT funding has been essential in reducing waiting lists, but once this is exhausted, we will face renewed pressure on overseas referrals and medical service delivery, hence it is extremely important to address our longer-term challenges.

The Challenges Ahead

Madam Deputy Speaker,

This budget outlines many achievements and promising investments—but it is just as important to acknowledge **what we couldn't do**.

Behind every allocation was a difficult decision. Each investment was weighted against what had to be paused or reduced.

This year, for the first time, we used the **Strategic Outcome Framework (SOF)** to guide our decisions. Every government activity was assessed based on its contribution to ministerial outcomes, deliverability, and resource needs. This approach allowed us to **prioritise with evidence**—ensuring funding went to what delivers the greatest impact for the people of St Helena.

In the next budget cycle, we'll refine this tool further, as part of our ambition to develop longer-term 5-year plans and budgets.

Our Fiscal Challenge

Madam Deputy Speaker,

Let me be clear—we are still in a **very difficult fiscal position**.

As I've mentioned, our **General Reserve** sits **below the minimum £5 million benchmark**, with projections suggesting it may drop further to around **£4 million** by the end of this financial year.

This means we have **limited fiscal space** to respond to external shocks or emergencies.

During 2024/25, we faced several financial pressures:

- A **£400,000 overspend** on Technical Cooperation
- Growing expectations in **overseas medical care**
- A **rise in litigation claims**
- And the ongoing costs of ensuring **affordable and reliable access** to and from the island

Our **contingent liabilities** are increasing, and with limited reserves, our ability to respond is constrained. If litigation claims materialise or major services fail, we risk depleting our reserves, which will result in having to make **unplanned cuts** elsewhere or turn to **debt financing**. This would further impact on Government's ability to allocate resources to key service areas and achieve its overall vision "A Sustainable Environment that creates Opportunity and inspires Social and Economic Progress ensuring a better quality of life for all."

Building Realistic Expectations

There is a perception among some that if things get tight, **the UK will simply step in and bail us out**. This is **not the case**.

The UK Government has made it clear: **support is not unconditional**, and we are expected to manage our finances responsibly.

Currently, we provide a high level of **untargeted subsidies** across public services. These may be well intentioned, but they are **unsustainable** in the long term.

For example:

- In 2024/25, we subsidised **electricity bills** through a **£1.5 million payment** to Connect Saint Helena—**regardless of income or need**

We must be honest with ourselves. These blanket subsidies benefit everyone — including those who can afford to pay more - which is placing undue stress on our limited resources.

Madam Deputy Speaker, we will always protect the vulnerable, but moving forward, we must focus on **targeting support** more effectively—ensuring that those who can contribute more, do so, and that public funds are used where they are needed most.

Taxation Policy

As is customary, we reviewed our **duty rates** for alcohol and tobacco.

We've chosen to **delay** changes this year. Proposals are with Executive Council, and if approved, new rates will take effect from **1 July 2025**. For now, duties remain unchanged.

On **personal and company taxes**, there are also **no changes** this year. Corporate tax will remain at **25%**, or **15%** for businesses aligned with our Sustainable Economic Development Strategy (SEDS).

The **personal allowance** remains at **£7,000**, and the tax bands remain the same:

- £7,000–£25,000: taxed at **26%** (or **21%** for SEDS businesses)
- Over £25,000: taxed at **31%** (or **26%** for SEDS businesses)

Whilst we explored adjustments to tax thresholds, any changes would have reduced revenues - at a time when fiscal caution must take priority, to progress with such initiatives was not deemed feasible.

I can assure you however, that we will revisit these options as part of our future tax policy development, particularly as we consider the **interplay between tax rates, minimum wage, and public pay**.

Budget Allocations for 2025/26

Madam Deputy Speaker,

Using our Strategic Outcome Framework, we've prioritised funding to ensure our limited resources deliver the **greatest possible public value**.

I am pleased to confirm the following allocations within the Appropriation Bill 2025:

- **Pensions and Benefits** – £6.2 million
- **Health and Social Care** – £9.7 million
 - Supplemented by **£3.15 million** from BIOT funding
- **Education, Skills and Employment** – £3.9 million
 - With **£0.3 million** in additional support and **£1.2 million** from BIOT for this financial year
- **Environment, Natural Resources and Planning** – £1.7 million
- **Treasury** – £8.9 million
 - Includes grants, subsidies, swimming pool contract, public transport, and salary uplifts
- **Economic Development** – £5.9 million

- Includes subsidies to St Helena Airport Limited, shipping, and fuel management
- **Central Support Services** – £10.8 million
 - Includes Technical Cooperation funding and support to Council
- **Safety, Security and Home Affairs** – £3.0 million
 - Now includes infrastructure;
- **Police Operations (ring-fenced)** – £0.9 million
- **Attorney General's Chambers** – £105,000
- **Judicial Services** – £147,000
- **Capital Expenditure** – £0.6 million (in-year only, excluding EDIP)

Additionally, there is a **ring-fenced support budget of up to £1.2 million**, which can be used—with FCDO agreement—for priority areas such as:

- **Air Services**
- **Medical Evacuations**
- **Litigation Costs**
- **Other urgent and unforeseen expenditures**

Let me note: while this contingency fund provides helpful flexibility, it will **not be enough** to cover all possible risks—particularly in areas like air access, which alone cost over **£1 million** last year.

That's why **strong financial management controls** remain absolutely essential in the months ahead.

Conclusion

Madam Deputy Speaker,

This budget reflects more than just numbers it reflects the choices, values and aspirations of our people. It acknowledges our challenges without hiding from them. It builds on progress whilst laying down a clear path for the future, taking bold steps forward in education, health, digital transformation and economic diversification.

This may well be my final Budget Speech. And if it is, I want to end where I began—with **gratitude**.

Gratitude to **His Majesty's Government** for their ongoing support.

Gratitude to **my colleagues and the public service** for their dedication and hard work.

And above all, **gratitude to the people of St Helena**, who continue to show what makes this island truly special.

The **spirit, resilience, and pride** of our people. And it's this same spirit that gives me hope for the future.

Madam Deputy Speaker, as we transition to a new government, I believe this budget gives the next Government a strong platform to build on—and a clear sense of direction.

We have challenges ahead, yes—but also real momentum. And most importantly, we have each other.

Let us never forget: **what makes St Helena unique is not our isolation, but our unity.**

Madam Deputy Speaker, I beg to move.