



GOVERNMENT OF ST HELENA

ESTIMATES OF RECURRENT AND CAPITAL EXPENDITURE AND REVENUE

2025/26 — 2027/28

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nfp	Not for publication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
UKG	United Kingdom 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.

CONTENTS

The government's vision	1
Economic development.....	1
Immigration reforms	1
Better prioritisation and budgeting	2
Tax reform	2
Improved governance	2
Part 1: Economic outlook	3
Global outlook	3
Outlook for St Helena.....	4
Outlook for specific sectors	9
Part 2: Budget outlook.....	13
The budget balance	13
Local revenues.....	13
Official Development Aid receipts	18
Payments	20
Capital investment.....	22
Significant policy decisions of the government	23
Part 3: Budgeting and fiscal management	25
Basis of preparation	25
Fiscal Strategy	25
Structure of the St Helena Government.....	25
Special funds.....	27
Appropriations	29
Medium-Term Expenditure Framework	30
Part 4: Assets and liabilities	31
The Consolidated Fund and reserves.....	31
The Currency Fund	33
State-owned entities.....	34
Risk management and identified risks	34
Part 5: Details of recurrent and capital expenditure and revenue	37

THE GOVERNMENT'S VISION

The 2025/26 Budget is the fourth budget since the commencement of the ministerial system in St Helena.

The government's vision for St Helena 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 2025/26 Budget.

In addition to the decisions presented in this Budget, in 2025/26 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 the 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 determining its own future.

The government has approved an Immigration Policy following extensive public information. That policy options are designed to facilitate population growth by reforming the current immigration system. The supporting legislation was approved in December 2024, along with supporting regulations being endorsed by Executive Council in April 2025.

Better prioritisation and budgeting

In preparation for this budget the government has adopted **the Strategic Outcome Framework model to better prioritise the allocation of resources to the government's strategic priorities.**

Whilst the implementation of the framework will take time to be fully embedded into the planning process, ministers have used the strategic outcome framework in producing a number of budget scenarios based on developing a comprehensive list of activities for every single service area across government. Each activity has been ranked based on how much it contributes to the strategic objectives of the government and how achievable the activity is taking into consideration a number of different factors such as available resources.

The final decisions on which activities are being funded in this budget has been agreed by ministers utilising the strategic outcome framework.

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**. There are no major changes to tax policy proposed in this budget.

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 continue to review and introduce improvements to internal government processes to better provide for decision-making, improve accountability and strengthen oversight.

PART 1: ECONOMIC OUTLOOK

The 2025/26 St Helena Government (SHG) Budget has been formulated against the following economic background.

Global outlook

The global economy remained resilient in the second half of 2024 growing at an annualised pace of 3.2% according to the OECD's March 2025 Interim Economic Outlook. The global economic environment is nevertheless facing a weakened growth outlook and experiencing challenges from protectionist policies led by US tariffs and retaliatory tariffs imposed by other countries. Fortunately the US tariff proposals was subsequently paused for 90 days to a 10% import tariff on most global goods to the US. Since then there have been progress with a number of Bilateral Trade agreements between the US and other countries which has settled the markets somewhat.

There is also the threat of increased global military conflict and rises in defence spending and more nationalist policies have led to severe cuts in international aid. The US scaling back its historical promises of the defence of Europe is leading to sharp rises needed in European defence spending and much of this is through cuts in international aid. Adding to pressure on international aid, the US has also announced in March 2025 that 83% of its international aid programmes will be cancelled.

Global growth

Overall, the outlook for global growth remains positive according to the OECD and IMF, although significant 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)

	2024 Estimated %	2025 Forecast %	2026 Forecast %
Global			
IMF	3.2	3.3	3.3
OECD	3.2	3.1	3.0

Period: Calendar year.

Source: IMF, *World Economic Outlook*, January 2025; OECD, *OECD Economic Outlook: Interim Report*, March 2025.

The IMF predicts global growth of 3.3% per annum in both 2025 and 2026, slightly below the longer-term (2000-19) average of 3.7%. The OECD has slightly lower forecasts of 3.1% in 2025 and 3.0% in 2026. Business and consumer sentiment have weakened in some countries and changes in trade policies around the world are a risk to these growth forecasts.

Global inflation

While global inflation is moderate, it is expected to fall further as economic growth softens. However, trade policy is a risk to this outlook and if inflation remains moderate monetary policy is likely to remain tight. Wage pressure is also likely to increase if prices rise leading to further inflation.

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 which is 2% in the UK and 4.5% is the midpoint of the South African target of 3% to 6% inflation.

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

	2024 Estimate Per cent	2025 Forecast Per cent	2026 Forecast Per cent	2027 Forecast Per cent
Global average CPI	5.8	4.3	3.6	3.4
UK	2.5	3.5	2.5	2.0
South Africa	4.4	3.6	4.5	4.5

Period: Calendar year.

Source: IMF, *World Economic Outlook*, database, October 2024; Bank of England, *Monetary Policy Report*, February 2025; South African Reserve Bank, *Statement of the Monetary Policy Committee*, March 2025.

US tariffs are a risk to this outlook and were set at 30% on South African imports to the US on Liberation Day but have been paused for 90 days to the global 10%. There is a 10% import tax on UK exports to the US. These tariffs are in addition to the 25% tariffs imposed on all vehicles and parts. The US is the UK's largest trading partner. The US is South Africa's second largest trading partner after China and 64% of its exports to the US are vehicles. The impact on inflation will depend on what measures are taken by the UK and South Africa.

Outlook for St Helena

On St Helena, challenges associated with air and sea access and a declining resident population caused economic activity to be more subdued in 2023/24. In 2024/25, new shipping arrangements, more frequent air services, and greater utilisation of internet services following the connection of the Equiano optical fibre cable have supported modest economic growth on St Helena. However, the island's aging and declining resident population is increasingly affecting the island's economic outlook which is 70% funded by international aid from the UK. St Helena had a resident population of 4,048 in October 2024, 29% of whom are over 65 which puts severe pressure on health and associated costs in particular. Health expenditure has almost tripled on St Helena from £5.2 million in 2012/13 to a forecast of £14.2 million in 2024/25.

Pressure within the UK on defence spending which is being financed with international aid cuts over the next few years plus rising healthcare and associated costs and threat of litigation in St Helena make the outlook very challenging. The

number of cancellations in air services– causes complications with promoting tourism to those with limited time. Between 2017 and 2024, 11% of all inbound flights to St Helena were delayed or cancelled and rescheduled. During 2023 and 2024, the proportion of weather-delayed flights to St Helena rose to around 25%.

St Helena currently has no government debt as the UK directly meets most of its needs and does not allow the island to take on debt without the explicit approval of the UKG. The St Helena pound is hard pegged to the British pound.

Global military tensions continue and 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 Canal 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.

IS&P Global Ratings has St Helena's long-term rating as 'BBB-', its short-term rating as 'A-3.' and St Helena's outlook as 'stable.' These ratings show that St Helena continues to be a safe and predictable environment to invest.

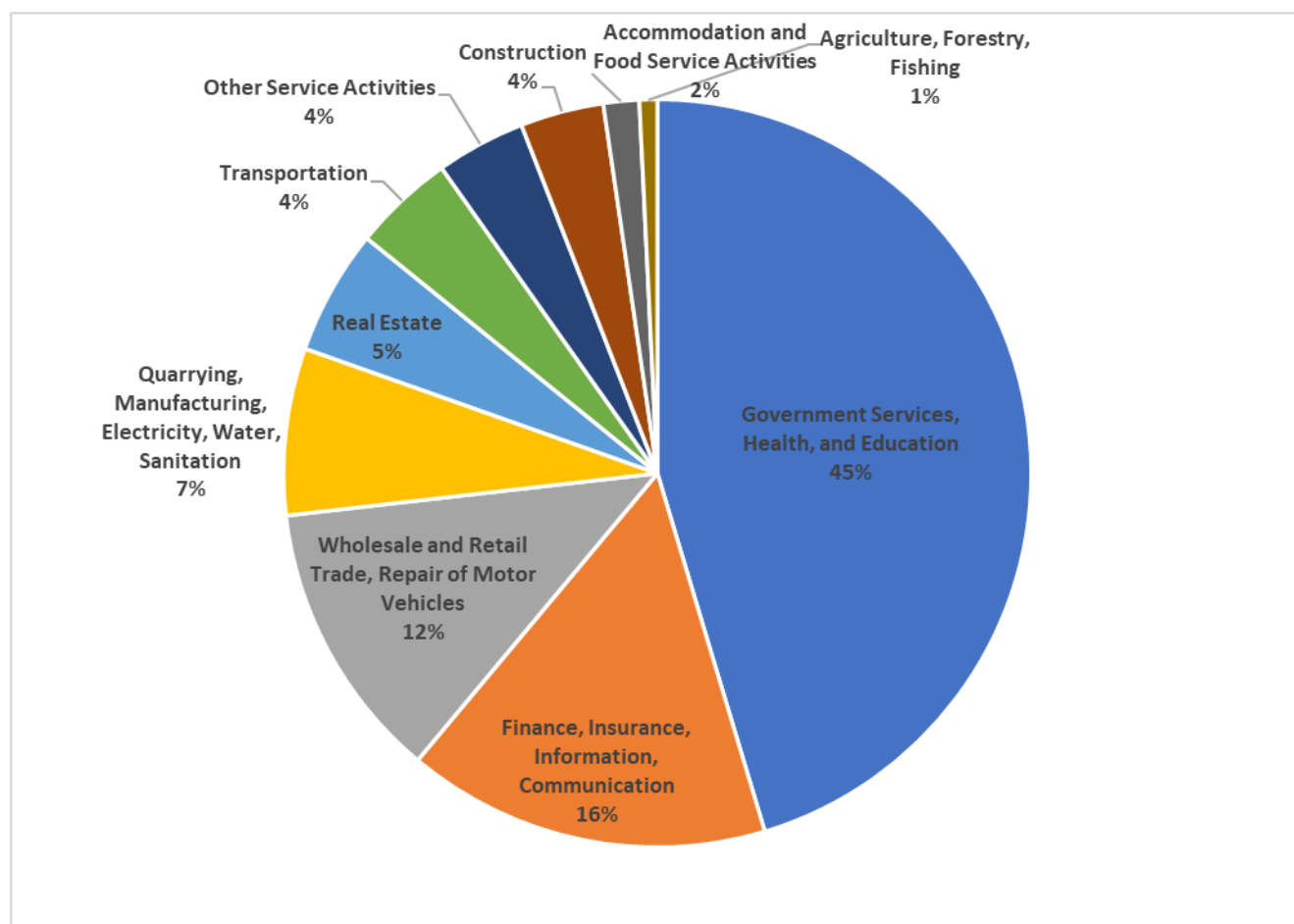
Economic activity

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 2022/23, the last year for which data is available, total value added on St Helena was £39.3 million. The overall amount of value added from economic activity on St Helena, as measured by Gross Domestic Product (GDP), has declined in real terms over the last few years. GDP change was negative on St Helena in 2021/22 by 1.8% and by 2.1% in 2022/23 according to the St Helena Statistics office. This was largely due to the demographic challenges of the island, shown by per capita GDP change being positive in both years at 0.7% in 2021/22 and 0.9% in 2022/23.

Chart 1 shows the composition of St Helena's GDP in 2022/23.

Chart 1: Gross domestic product by sector



Note: 2022/23 data.
Period: April to March.
Source: St Helena Statistics Office.

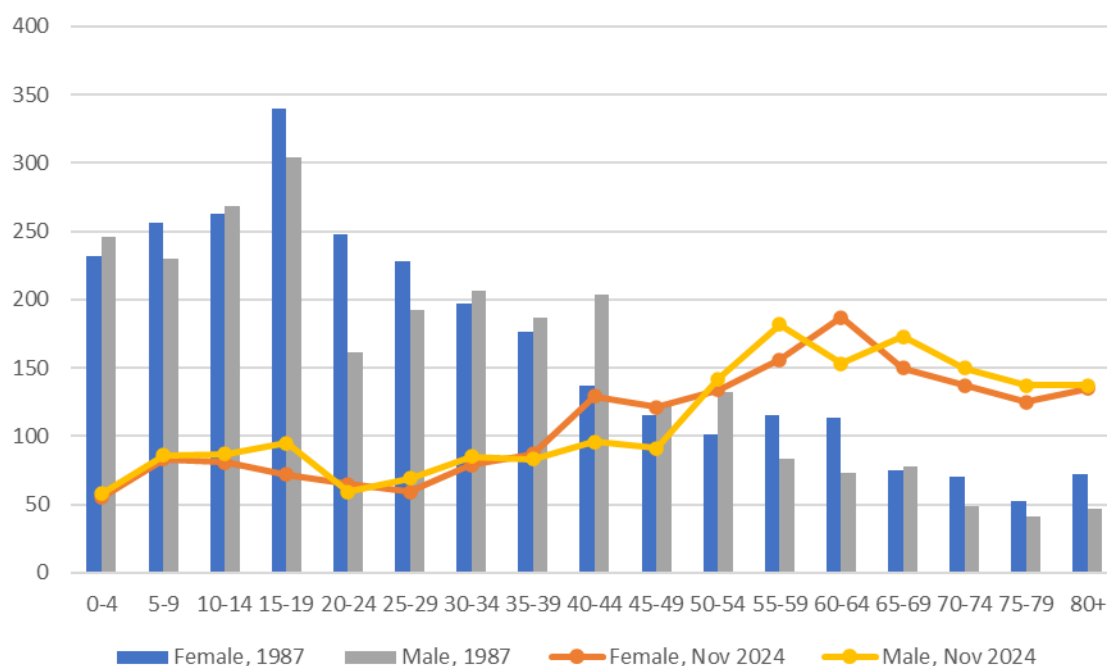
Chart 1 shows that the government, health and education sectors remain, by far, the dominant contributor to economic activity on the Island. Tourism-related sectors, such as accommodation and food service activities, and transportation, make only small contributions of 2% and 4% respectively. The contribution of agriculture, forestry and fishing is the smallest of all sectors, at less than 1%.

If the recent trend of population decreases continues, any real GDP per capita growth is likely to be slightly stronger than any real GDP change, as the total amount of value added on the island will be spread across a smaller population.

Resident population

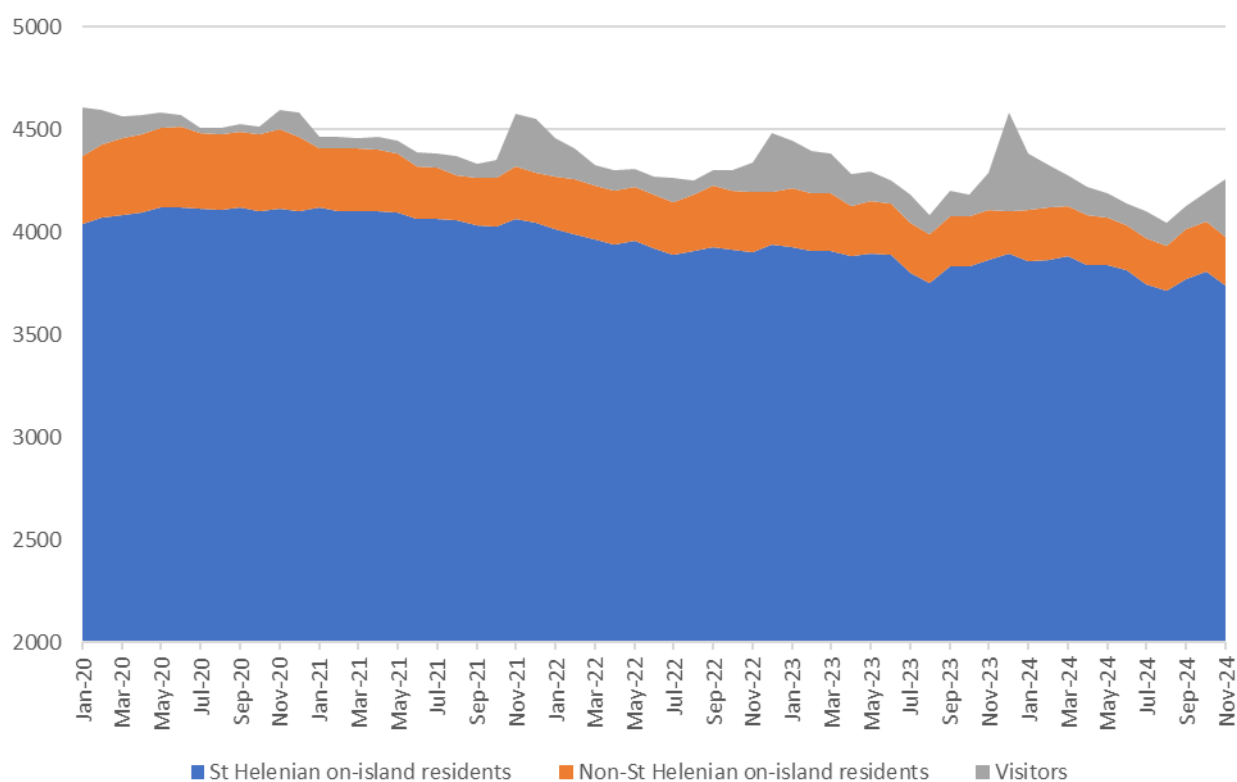
Increasing the Islands working age population is a critical challenge for St Helena. Chart 2 shows the changing population by age group in St Helena between 1987 and November 2024.

Chart 2: The Changing Population by Age Group of St Helena



Source: St Helena Statistics Office.

Chart 3: Island resident and visitor population (January 2020 to November 202)



Source: St Helena Statistics Office.

Chart 3 shows St Helena's resident and visitor population since January 2020. In December 2023, the Island's resident population was 4,099. By October 2024, the resident population had declined to 4,048. In 2024, there were 59 deaths recorded on St Helena, but only 17 births. Outward migration also remains a challenge for the island, as young people, in particular, migrate abroad for better work and lifestyle opportunities. It appears that the decline in the population has been influenced more by birth and deaths compared to previous years because of outward migration.

At the end of October 2024, compared to a year before, there has been a decrease in the number of resident children on-island (aged 0-14 years) from 528 to 501, and a decrease in those of roughly working age (15-64 years) from 2,414 to 2,367. The number of people aged 65 and over has risen from 1,129 to 1,166. The old aged dependency ratio of the resident on-island population (the number of those 65 and over compared to those of working age) was 50 at the end of October 2024.

Inflation

Due to its high reliance on imports — particularly food, consumer goods and fuel — St Helena is particularly exposed to global inflation pressures and from South Africa and the UK especially.

Table 3 shows the forecast Consumer Price Index (CPI) inflation for St Helena in 2025/26.

Table 3: Inflation (2025/26 to 2027/28)

	2024/25 Estimated	2025/26 Forecast	2026/27 Planning assumption	2027/28 Planning assumption
	%	%	%	%
Consumer Price Index	6.8	3.3	3.4	3.1

Period: April to March.

The estimated rate of inflation for 2024/25 is 6.8%. Inflation in St Helena reached a 15 year high at the end of 2024 of 8.2% with a 28% increase in household energy bills. There were increases in electricity prices in January and July 2024, increases in the price of telephone tariff and mobile data packages in July 2024, and increases in the price of bread, local meat, and public transport in December 2024. Additionally, the substantial drop in the price of broadband internet and mobile phone data packages in October 2023 now no longer affecting the annual price inflation rate. The 9.7% rise in annual average food prices is the highest since Q2, 2017.

The government has forecasted an increase in the CPI of 3.3% in 2025/26.

The government has made a planning assumption that inflation will be about 3.4% in 2026/27, and 3.1% in 2027/28.

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

Chart 4: Historic exchange rates — ZAR per GBP (1 April 2020 to 1 April 2025)



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. Since then the pound has depreciated slightly against the rand overall but with the Trump tariffs this is expected to reverse.

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.

Currently, one Airlink flight a week operates out of OR Tambo Airport, Johannesburg with an additional weekly flight from Cape Town in peak season.

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. During the 12 months to January 2025 there were 2,132 arrivals for a leisure purpose, very similar to the same period in the previous year, when arrivals for leisure purposes totalled 2,134. There were 997 tourists (i.e. non-St Helenian leisure visitors), a 1.6% increase compared the previous twelve-month period, when there were 981.

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 as well as flight cancellations.

Flights to and from Cape Town are confirmed for the 2025/26 tourist season. This will provide both Johannesburg and Cape Town as travel hubs for three 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 1% in 2022/23) of the economic activity on the island. Looking forward, this sector's contribution to economic activity on the island in 2025/26 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.

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 the service has improved, ministers are keen to move to the next step in the development of the digital transformation, options are being formulated to agree the way forward on public telecommunications beyond the existing telecommunications licence which is currently scheduled to come to an end on 31 December 2025.

Financial services

This budget continues the allocation of £320,000 towards the Financial Services and Company Registration (FSCRD) Programme.

The programme includes a project to modernise banking services. SHG continues to work closely with the Bank of St Helena (BOSH) and other stakeholders to improve banking services for the island. These include improved access to credit, payment systems, and affordable transfers. In 2024/25, SHG and BOSH commissioned an in-depth review of the BOSH in order to inform a banking policy for the island, which SHG intends to be adopted and implemented during 2025/26. In addition, various island businesses now have electronic payment terminals that are connected to the two major international credit card networks: Visa and MasterCard. 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.

In order to ensure St Helena's financial services sector grows in a sustainable and ethical way, the programme will also continue to update St Helena's Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CTF) legal framework and working practices. In 2024/25, this work moved forward significantly through the enactment of the Companies (Amendment) Bill 2025, which introduces a Publicly Accessible Register of Beneficial Ownership (PARBO) for St Helena's Company Registry. In the coming year, SHG intends to continue the legislative reforms by taking steps to align the island's institutions with the Financial Action Task Force (FATF) recommendations. This may include the appointment of illicit finance technical expertise within the organisation to manage the much-needed reforms.

The modernisation of the regulatory environment for financial services has also moved forward in 2024/25, with the adoption by SHG of the Financial Services Regulation Policy 2025. This policy, once legislative work is completed, will work to improve consumer protection, governance, and regulatory effectiveness of the island's Financial Services Regulatory Authority (FSRA). It also takes steps to allow licensed firms to undertake cross-border business, potentially enabling the expansion of the professional services industry on St Helena. In 2025/26, the focus will be on working with private firms so that they can take advantage of the new rules. Additional legislative reform is also underway to continue to align St Helena with international best practice.

Finally, the coming year should see significant changes to St Helena's company law and company registry processes. Product development will continue in order to ensure that the Company Registry starts to increase SHG revenue streams, and that it can be utilized to upskill residents and move towards a more productive economy. This may include leveraging St Helena's Environmental, Governance, and Social (ESG) credentials to create a unique offshore registry product that can begin to be marketed internationally. Additionally, SHG is exploring options for creating a local Trust or Company Service Provider (TCSP) in order to kick start a new type of

professional services firm which will establish a model for the private sector to adopt in the future.

Retail, warehousing and logistics

Retail and logistics businesses appear to have suffered somewhat under the interim shipping service that operated during 2023/24, however it is pleasing to note that the reliability and the service provision has improved significantly under the new shipping service with MACS. Merchants are now able to plan accordingly and with confidence, however the retail sector is still recovering from the cash drain experienced during the interim service and cash flow remains a challenge for many importers.

Airfreight continues to be 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.

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 2025/26.

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 2025/26; 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 Estimated outturn £'000	2025/26 Forecast £'000	2026/27 Projection £'000
Net amount contributed to the General Reserve of the Consolidated Fund	-1,836	- 505	0	0

Table 4 shows that during the 2024/25 the forecast indicates that SHG's payments exceeded receipts by £0.5 million; a negative net contribution to the General Reserve.

This means that there is a growing pressure in the General Reserve of the Consolidated Fund, the forecast position on General Reserve at the end of 2024/25 is around £4.0 million which is significantly below the recommended minimum balance of £5.0 million. There is mounting pressure on public funds with a number of potential significant litigation cases in the pipeline, this along with other key risks means that greater budgetary control scrutiny will be needed by portfolio's throughout 2025/26.

The outturn for 2025/26 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

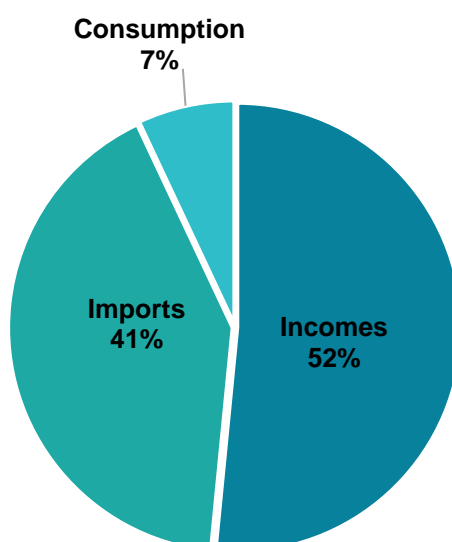
Local revenues are comprised of taxation and non-taxation receipts.

Taxation receipts

In 2025/26, tax receipts will contribute 85% 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 (2025/26)



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 £6.8 million to SHG in 2025/26.

Table 5: Forecasts and planned income tax receipts (2025/26 to 2027/28)

	2024/25 Estimated outturn £'000	2025/26 Forecast £'000	2026/27 Planning assumption £'000	2027/28 Planning assumption £'000
PAYE	5,063	5,296	5,146	5,246
Self Employed	350	340	340	350
Corporation tax	1,150	1,150	1,150	1,150
Withholding tax	32	29	30	30
Total	6,595	6,815	6,666	6,776

Period: April to March.

Taxes on income have generally exceeded forecasts in the last few months of 2024/25 particularly on PAYE receipts. The forecasts for 2025/26, however, are

based on longer-term trends, and are somewhat conservative relative to the estimated outturn position for 2024/25 although some increases have been factored into this budget.

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 policy choices outlined within the budget and the increases in the minimum wage resulting in all employees in full time employment (35 hours per week) 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 £5.5 million to local revenue in 2025/26.

Table 6: Forecasts and planned customs duty receipts (2025/26 to 2027/28)

	2024/25 Estimated outturn £'000	2025/26 Forecast £'000	2026/27 Planning assumption £'000	2027/28 Planning assumption £'000
Customs — other				
<i>Ad valorem</i>	<i>n.a.</i>	2,320	2,420	2,420
<i>Vehicles</i>	<i>n.a.</i>	180	180	180
Total	3,852	2,500	2,600	2,600
Customs — alcohol	1,290	1,100	1,100	1,100
Customs — tobacco	589	1,100	1,100	1,200
Customs — petrol	301	300	300	300
Customs — diesel	420	480	480	480
Total	6,452	5,480	5,580	5,680

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 2025/26 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 2025/26, 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 2024/25. The outturn will see an under collection in tobacco import duty of £0.1 million, after a period of low volumes, quantities imported in the final months of 2024/25 rebounded somewhat. The numbers included for 2025/26 assumes some movement on the taxing of vapes, and therefore this presents a risks to revenues if anticipated policy changes do not materialise. No decision on increasing the rate of duty on tobacco has been taken at this time, although it is envisaged that an increase will be implement later in the financial year.

For import duty from alcohol, receipts are forecast to decrease modestly in 2022/26 in line with policy decisions taken to reduce the duty on certain types of beverages with a lower alcohol content. No new decisions on increasing the specific duty on alcohol has been taken at the time of writing, however it is envisage that some increases will take place later in the financial year.

For both petrol and diesel, it is assumed that there will be a small increase in the amount of petrol and diesel imported during 2025/26. It is assumed that import duty rates for each will remain constant at £0.39 per litre.

Taxes on consumption

Taxes on consumption are forecast to contribute £0.9 million to SHG in 2025/26.

Table 7: Forecasts and planned receipts from taxes on consumption (2025/26 to 2027/28)

	2024/25 Estimated outturn £'000	2025/26 Forecast £'000	2026/27 Planning assumption £'000	2027/28 Planning assumption £'000
Liquor duty	0	1	1	1
Excise duty	228	280	240	190
Service tax	544	640	600	600
Total	772	921	841	791

Period: April to March.

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 rise in 2025/26 largely because of the policy proposal to look at taxing single use plastics. There is a risk that no policy changes are agreed which will see revenues coming under budget as consumers have general changed their behaviours to utilise alternative environmentally friendly products.

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, although alternative revenue sources from the likes of satellite ground stations has seen an overall positive outturn for 2024/25. This has been reflected in the budget for 2025/26 where we expect to collect around £0.6 million in service tax.

Non-taxation receipts

Non-taxation receipts are forecast to contribute £2.3 million to local revenue in 2025/26.

Table 8: Forecasts and planned non-taxation receipts (2025/26 to 2027/28)

	2024/25 Estimated Outturn £'000	2025/26 Forecast £'000	2026/27 Planning assumption £'000	2027/28 Planning assumption £'000
Duty and licences	284	262	262	262
Fees and fines	679	602	566	569
Government rents	334	349	349	349
Earnings of portfolios	45	69	69	69
Income received	480	696	696	696
Treasury receipts	435	322	310	310
Total	2,257	2,300	2,252	2,255

Period: April to March.

In 2025/26, the government will continue to review its non-tax revenue arrangements. A number of fees were revised in 2024/25 and other fees are expected to increase to full cost recovery where appropriate to do so, ensuring 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 the year ahead, 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 2025/26 following the Financial Aid Mission (FAM).

The aid settlement will see £35.79 million made available to St Helena in 2025-26.

Table 9: Composition of the 2025/26 aid settlement

	2024/25 Estimated Outturn £'000	2025/26 Forecast £'000	2026/27 Planning assumption £'000	2027/28 Planning assumption £'000
Core Financial Aid	28,685	30,397	30,397	30,397
Ring-fenced contingency	1,204	1,200	1,200	1,200
Ring-fenced Tourism Development Fund	500	500	500	500
Police operational costs (St Helena)	676	698	698	698
Core Financial Aid	31,065	32,795	32,795	32,795
Operational costs St Helena Airport Limited	2,995	2,995	2,995	2,995
Total Financial Aid Package	34,060	35,790	35,790	35,790

The 2024/25 FAM settlement included a contingent component of £1.2 million that would only be made available if certain circumstances arose. The full amount of that contingency was drawn in 2024/25.

For 2025/26, 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.

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

Capital Funding and the Economic Development Investment Programme

The UKG has made available £13.5 million capital funding available in 2025/26. Out of the £13.5 million around £10.8 million is allocated to Economic Development Investment Programme (EDIP) to complete a number of projects already underway and to provide the funding needed to commence a number of pipeline projects. In addition the completion of the new BFI will be financed through an increase in the EDIP budget with £2.8 million allocated to start the completion phase of the project in this year.

A further £1.2 million has been made available through the Fuel Infrastructure Project to commission the Airport Fuel Facility (AFF) under contract with PUMA energies. This project will be completed in 2025/26.

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 2025/26, St Helena will also receive £1.5 million under the Essential Equipment Programme ring fenced specifically for essential asset replacement at the airport.

Other Funding Sources

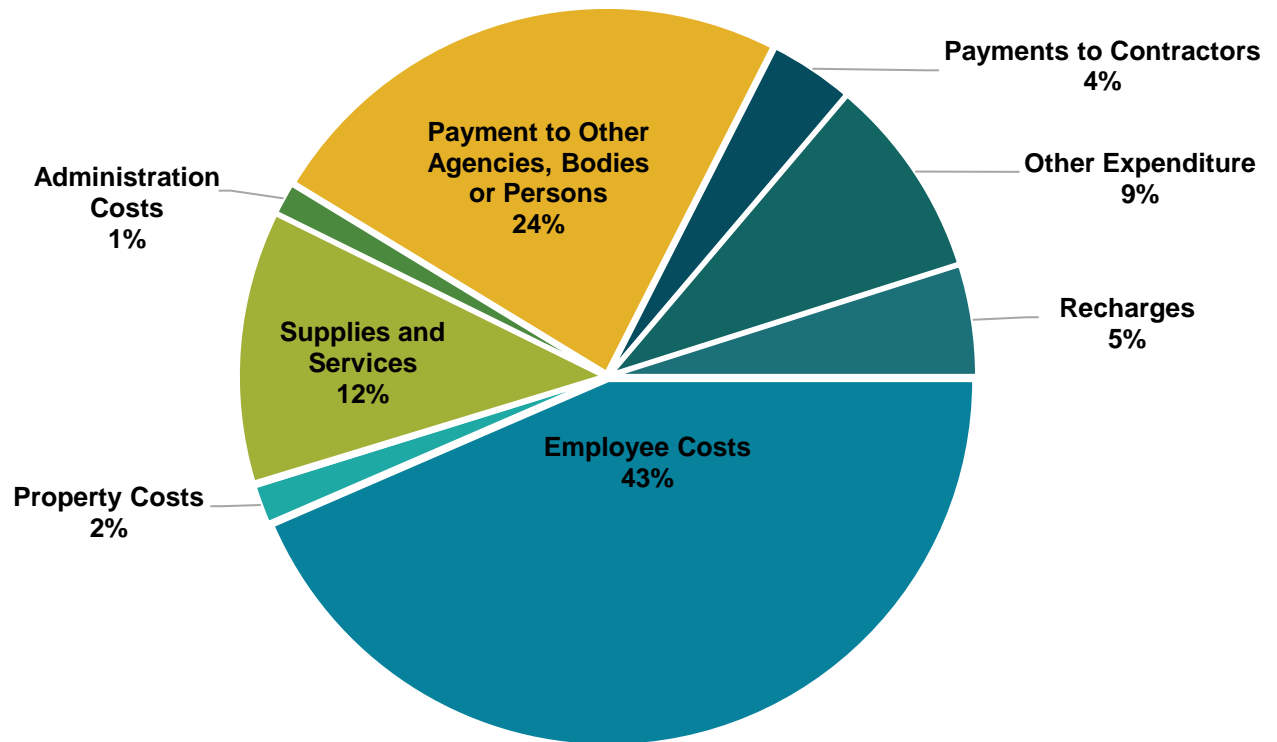
During 2024 UKG agreed to provide one of payment of £6.65 million to St Helena as a result of St Helena agreeing to assist the UKG in its agreement with Mauritius concerning the British Indian Ocean Territory (BIOT)/Chagos Archipelago. An MOU was signed between SHG and UKG, under this contingency arrangement, the UK will transfer future migrants who arrive on BIOT to St Helena where the SHG will assume responsibility for the migrants' welfare whilst ensuring St Helena's interests were safeguarded.

This funding will be received in 2025/26, however it will not form part of the budget allocation for ODA and is therefore not allocated within this budget. It is important to note however that ministers have agreed for the funding to be split between three areas of Education, Health and internal IT infrastructure development.

Payments

In 2025/26, SHG expects to pay £51.8 million to deliver, or support the delivery of, a range of services across the island.

Chart 5: Payments by type (2025/26)



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 (2025/26)

Note: Incorporates notional functional allocation of TC posts.

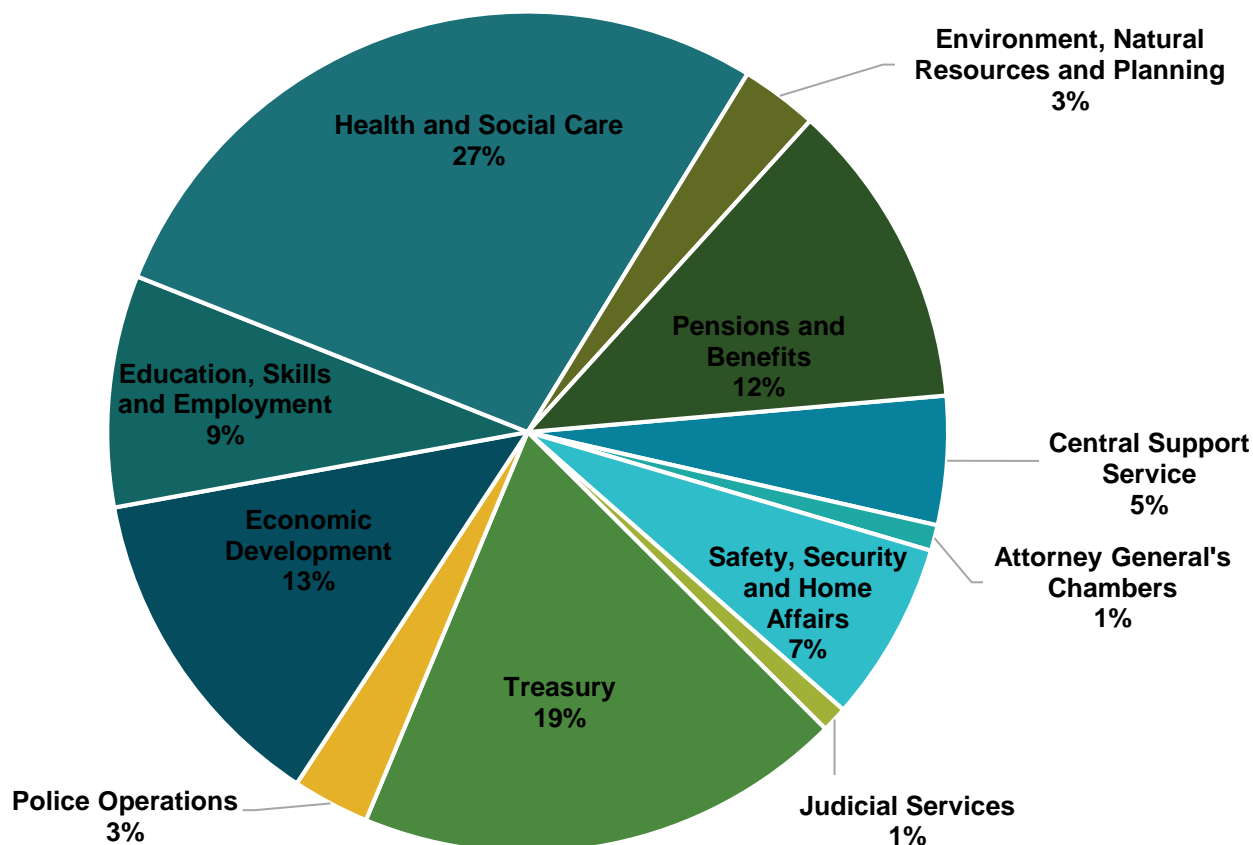


Chart 6 shows that the Health & Social Care Portfolio, when TC posts are included, is the largest area of expenditure for the government and 27%. Expenditure by the Treasury is also significant, at 19% of total payments, as it holds the budget for many central government expenditures like grants and 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 £0.50 per hour from 01 July 2025. The effect of this change is that the new minimum wage levels will be:

- £4.50 per hour for all employees having attained the age of 18 years; and
- £3.55 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 2025/26.

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 £10.8 million funding available in 2025/26. A further £2.7 Million has been made available for essential airport equipment and the commissioning of the airport fuel facility.

Notable capital projects to be funded include the continuation and completion of Rupert's cargo handling facility, the construction of a new prison, a backlog maintenance programme for roads and the Crown Estate, the new BFI. It is envisaged that some funding will be used this year to progress the renewable energy agenda along addressing waste water and water resource management.

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.

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.

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 2024/25 Budget.

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

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 2024/25 Budget, the government has made the following significant policy decisions affecting receipts.

Table A1: Summary of policy decisions affecting receipts

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Head 17: Treasury —				
Annual indexation of alcohol and tobacco duty	20	*	*	*
Introduction of excise on electronic cigarettes and associated fluids	-	*	*	*
Total	20	*	*	*

Decisions affecting payments

Since the 2024/25 Budget, the government has made the following significant policy decisions affecting payments.

Table A2: Summary of policy decisions affecting payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Head 12:				
Central Support Service —				
Supplementation of the Technical Cooperation Programme	-	300	300	300
Head 15:				
Safety, Security & Home Affairs —				
Additional funding for emergency planning	-	32	41	41
Additional funding for the Maritime Authority	-	96	67	67
Head 17: Treasury —				
Additional funding for legal costs associated with civil and criminal cases	-	193	-	-
Freight Transport Subsidy supplementation and continuation	200	120	-	-
Funding for Deputy Chief Executive Officer for the Equality and Human Rights Commission	-	19	19	19
Increase in subsidy to Connect Saint Helena to account for the fuel risk share mechanism	-	137	137	137
Implementation of the minimum wage increase	337	337	450	450
Uplift in the Public Service pay scale	-	750	1,000	1,000
Head 19:				
Economic Development —				
Financial services and company registry development	280	40	40	40
Head 20:				
Pensions and Benefits —				
Increase in the Basic Island Pension rate	-	129	172	172
Increase in Public Sector pensions-in-payment	-	51	69	69
Head 22:				
Education, Skills & Employment —				
Education Reform Programme	-	300	300	300
Head 23:				
Health & Social Care —				
Increase in the rates of Better Life Allowance	-	10	10	10
Total	817	2,514	2,605	2,605

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 2025/26 is cash-based but includes certain principles of accrual budgeting to show some increases and decreases in capital. 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 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. The UK has historically supported the infrastructure needs of the island, somewhat removing the potential utility of debt financing. However, with the increasing number of potential litigation claims against the government, this might well need to change in this budget period and for future years as the UKG has made it very clear that there is no funding set aside to assist the island in financing the potential claims.

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.

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

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
Cable Landing Station Trading Account	Special Fund (Cable Landing Station) Order 2024, made under the <i>Public Finance Ordinance 2010</i>	Manage the revenues and expenditures of the Cable Landing Station.
St Helena Research Institute Trading Account	Special Fund (St Helena Research Institute) Order 2024, made under the <i>Public Finance Ordinance 2010</i>	Manage the revenues and expenditures of the St Helena Research Institute.
Public Transport Service Trading Account	Special Fund (Public Transport Service) Order 2024, made under the <i>Public Finance Ordinance 2010</i>	Manage the revenues and expenditures of the Public Transport Service
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

Special fund	Establishment	Purpose
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 2025 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 £45.0 million.

An additional £6.2 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 2025 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 Bill 2025 is £0.6 million.

Medium-Term Expenditure Framework

During the strategic planning and budgeting work that commenced in July 2024, 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 2024/25, the government implemented the use of the Strategic Outcome Framework (SOF) to better priorities the allocation of resources to the government's strategic priorities.

Each activity within the Portfolio was identified and costed. Activities were then scored and ranked based on their contribution to the ministerial priorities and outcomes. The framework also considered the achievability and deliverability of each activity by examining a number of different factors, including the availability of resources.

The SOF will take some time to fully embed in the planning process however it provides ministers with a clear evidence base to support decision making around how to prioritise and allocate scarce resources.

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,’² unless an Ordinance requires monies to be paid into a specific purpose fund.³

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.⁴

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 2024, the balance on the general reserve was £4.5 million, however, at the end of March 2025 the balance is estimated to be £4.0 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

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

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

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

available in extraordinary circumstances or to meet unforeseen expenditure pressures.

For 2025/26, 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.

In considering the pressures on the Currency Fund for the coming year, there are no plans to withdraw any funding in 2025/26 from the Currency Fund to support the 2025/26 Budget.

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	Wholly owned
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 although work is under way to consider options especially with the medical field

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.

A design review of the new Bulk Fuel Installation (BFI) was completed in 2024/25 with a view to determining what is required to bring that asset into operation. This work has been completed and a business has been developed to seek funding from UKG for the completion of these works. 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 UKG.

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 are 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.

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 2024/25, 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 2025/26, is capped at a maximum of £137,000.

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. This presents a significant risk to Public Finances as the General Reserve of the Consolidated Fund continues to fall way below the recommended minimum balance.

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.

A Health Standards consultancy is under way to determine the level of service that the Government is able to provide with the resources available. Once agreement is reached on the Health Standard for St Helena it will be publicised and should go some way in limiting potential future claims against the government, however, this will not help with historical claims that might arise.

Until the Health Standards work is completed and a Health Standard is approved for the island, the Health & Social Care Portfolio will continue to adhere to the policy adopted in 2023/24 to limit overseas referrals solely to cases where there is a demonstrable risk to life, limb and sight. All other cases are included on a 'waiting list' to be referred at a later time.

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.

Part 5: Details of recurrent and capital expenditure and revenue

DETAILS OF RECURRENT AND CAPITAL EXPENDITURE AND REVENUE



GOVERNMENT OF ST HELENA

SUMMARY OF BUDGETED EXPENDITURE AND REVENUE

	Original Estimate 2024/25 £'000	Revised Estimate 2024/25 £'000	Original Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000	Forecast Estimate 2027/28 £'000
EXPENDITURE					
Recurrent Expenditure					
Central Support Service	10,411	10,804	10,788	10,727	10,726
Attorney General's Chambers	105	109	105	115	108
Safety, Security and Home Affairs	2,854	2,934	3,049	3,116	3,062
Judicial Services	146	153	147	147	147
Treasury	7,927	8,217	8,875	8,730	8,824
Police Operations	872	902	894	912	922
Economic Development	5,778	7,109	5,907	6,137	6,220
Education, Skills and Employment	3,562	3,562	3,871	3,964	4,025
Health and Social Care	9,466	10,188	9,655	9,677	9,706
Environment, Natural Resources and Planning	1,651	1,673	1,723	1,729	1,733
	42,772	45,651	45,014	45,254	45,473
Pensions & Benefits	5,735	5,735	6,189	6,300	6,300
Total Recurrent Expenditure	48,507	51,386	51,203	51,554	51,773
Capital Expenditure					
Safety, Security and Home Affairs	102	70	46	68	52
Economic Development	325	80	250	131	250
Education, Skills and Employment	68	68	0	0	0
Health and Social Care	73	49	264	237	261
Environment, Natural Resources and Planning	0	26	0	0	0
Total Capital Expenditure	568	293	560	436	563
TOTAL EXPENDITURE	49,075	51,679	51,763	51,990	52,336
REVENUE					
Taxes	12,015	12,015	13,216	13,087	13,247
Duty and Licences	239	239	262	262	262
Fines and Fees	566	566	612	576	579
Government Rents	318	318	349	349	349
Earnings Government Departments	48	48	69	69	69
Income Received	698	698	686	686	686
Treasury Receipts	611	611	322	310	310
FCDO Financial Aid	31,065	31,065	32,795	32,795	32,795
FCDO Airport Operations Funding	2,995	2,995	2,995	2,995	2,995
Recharges	417	417	457	437	432
TOTAL REVENUE	48,972	48,972	51,763	51,566	51,724
CONTRIBUTION FROM THE CONSOLIDATED FUND	103	2,707	0	0	0
TOTAL FUNDING	49,075	51,679	51,763	51,566	51,724

SUMMARY OF TOTAL REVENUE



GOVERNMENT OF ST HELENA

TOTAL REVENUE

Sub-Head No.		Previous Year Original Estimate 2024/25 £'000	Current Year Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000	Forecast Estimate 2027/28 £'000
	TAXES	12,015	13,216	13,087	13,247
012-00200	Taxes - PAYE	4,680	5,296	5,146	5,246
012-00201	Taxes - Self Employed	270	340	340	350
012-00202	Taxes - Corporation Tax	960	1,150	1,150	1,150
012-00203	Taxes - Service Tax	450	640	600	600
012-00204	Taxes - Withholding Tax	27	29	30	30
012-00205	Customs - Other	2,718	2,500	2,600	2,600
012-00206	Customs - Alcohol	1,200	1,100	1,100	1,100
012-00207	Customs - Tobacco	700	1,100	1,100	1,200
012-00208	Customs - Petrol	290	300	300	300
012-00209	Customs - Diesel	460	480	480	480
012-00210	Liquor Duty	20	1	1	1
012-00220	Excise Duty	240	280	240	190
	DUTY & LICENCES	239	262	262	262
013-00301	Stamp Duty	27	30	30	30
013-00302	Dog Licence	5	5	5	5
013-00303	Firearm Licence	5	4	4	4
013-00304	Liquor Licence	11	9	9	9
013-00305	Road Traffic Licence	168	181	181	181
013-00307	Gaming Machine Licence	2	2	2	2
013-00310	Other Licences & Duty Received	21	31	31	31
	FINES & FEES	566	612	576	579
014-00403	Court Fees & Fines	12	12	12	12
014-00404	Light Dues	13	11	11	11
014-00405	Cranage	1	6	6	6
014-00407	Dental Fees	25	25	25	25
014-00408	Fees of Office	9	10	10	18
014-00409	Medical & Hospital	129	130	130	130
014-00413	Trade Marks	10	8	8	8
014-00414	Post Office Charges	3	3	3	3
014-00415	Meat Inspection Fees	5	4	4	4
014-00416	Vet Services	34	34	34	34
014-00417	Birth, Marriage & Death Fees	4	4	4	4
014-00418	Land Registration Fees	12	18	18	18
014-00419	Spraying Fees	3	3	3	3
014-00420	Immigration Fees	59	106	70	65
014-00428	Fish/Food Testing Fees	21	21	21	21
014-00430	Planning Fees	9	3	3	3
014-00431	GIS Fees	14	6	6	6
014-00432	Company Registration Fees	3	3	3	3
014-00450	Other Fees Received	200	205	205	205



GOVERNMENT OF ST HELENA

TOTAL REVENUE

Sub-Head No.		Previous Year Original Estimate 2024/25 £'000	Current Year Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000	Forecast Estimate 2027/28 £'000
	GOVT RENTS	318	349	349	349
015-00503	Gardens	9	9	9	9
015-00504	Leased House Plots	29	46	46	46
015-00505	Boarding & Lodging	119	117	117	117
015-00506	Commercial Property Rents	153	169	169	169
015-00507	Miscellaneous Receipts	1	1	1	1
015-00508	Agricultural Buildings	7	7	7	7
	EARNINGS GOVERNMENT DEPTS	48	69	69	69
016-00601	Stamp Sales(Postal)	20	26	26	26
016-00602	Stamp Sales (Philatelic)	10	25	25	25
016-00603	Sale of Firewood	18	18	18	18
	INCOME RECEIVED	698	686	686	686
011-00110	Miscellaneous Receipts	8	10	10	10
017-00750	Other Income Received	690	676	676	676
	TREASURY RECEIPTS	611	322	310	310
018-00800	Commission	4	3	3	3
018-00801	Interest	240	192	180	180
018-00804	Currency Fund Surplus	80	0	0	0
018-00806	Dividends	262	102	102	102
018-00808	Argos	25	25	25	25
	TOTAL LOCAL REVENUE	14,495	15,516	15,339	15,502
	FINANCIAL AID	34,060	35,790	35,790	35,790
018-00810	FCDO Financial Aid	31,065	32,795	32,795	32,795
018-00815	FCDO Airport Operations Funding	2,995	2,995	2,995	2,995
	RECHARGES	417	457	437	432
019-00905	Customs	347	402	380	371
019-00906	Other	68	53	55	59
019-00907	Postal	2	2	2	2
	TOTAL REVENUE	48,972	51,763	51,566	51,724

SUMMARY OF TOTAL RECURRENT EXPENDITURE



GOVERNMENT OF ST HELENA TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2024/25 £'000	Current Year Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000	Forecast Estimate 2027/28 £'000
	EMPLOYEE COSTS	20,370	22,302	22,475	22,580
021-01103	Salaries	13,559	14,387	14,468	14,504
021-01105	Allowances	2,513	2,442	2,419	2,429
021-01107	Staff Mileage Allowance	13	13	13	14
021-01201	Defined Benefit Pensions	1,673	1,806	1,811	1,811
021-01202	Pension Contribution	1,266	1,375	1,438	1,498
021-01205	Training Expenses	225	260	278	269
021-01302	Wages - Part Time Staff	489	473	511	514
021-01304	Overtime	136	154	145	149
021-01400	Other Employee Costs	496	1,392	1,392	1,392
	PROPERTY COSTS	739	872	928	945
022-02101	Building Maintenance	23	43	58	54
022-02102	Grounds Maintenance	9	11	11	11
022-02107	Roads Maintenance	3	3	3	3
022-02203	Electricity	541	641	691	710
022-02302	Rent of Premises	18	12	6	6
022-02401	Water	94	103	99	101
022-02403	Maintenance of Sewer Lines	17	18	19	19
022-02501	Maintenance of Street Lights	4	4	4	4
022-02601	Cleaning Materials	30	37	37	37
	TRANSPORT & PLANT COSTS	28	33	32	32
023-03501	Vehicle Hire Charges - Outside SHG	28	33	32	32
	SUPPLIES & SERVICES	6,020	6,132	6,253	6,203
024-04101	Furniture & Equipment	167	174	176	175
024-04102	Tools	36	33	34	33
024-04103	Materials	600	556	557	536
024-04104	Fert/Pesticides/Fungicides	9	8	8	8
024-04105	Chemicals	4	4	4	4
024-04107	Lubricating Oils	5	6	6	6
024-04108	Plant & Equipment Maintenance	42	46	47	44
024-04109	Medical Supplies	849	856	856	856
024-04110	Vet Drugs/Stores	35	35	35	35
024-04111	Animal Feed	2	2	2	2
024-04114	Repairs & Maintenance	26	17	18	16
024-04115	Fuel	292	333	325	328
024-04116	Computer Equipment	6	14	25	11
024-04120	Publicity & Promotional Activities	275	284	283	283
024-04123	Prisoner Rehabilitation	24	28	28	28
024-04201	Food Provisions	204	222	222	222
024-04301	Uniforms	39	40	40	40
024-04302	Protective Clothing	48	52	76	61



GOVERNMENT OF ST HELENA TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2024/25 £'000	Current Year Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000	Forecast Estimate 2027/28 £'000
024-04401	Library Books & Materials	6	5	5	5
024-04402	Stamp Issues	17	22	12	12
024-04403	Computer Consumables	62	60	59	59
024-04405	Training Materials	68	75	139	137
024-04406	Photocopy Consumables	15	13	13	13
024-04407	IT Renewals & Licences	289	295	331	333
024-04503	Overseas Medical Treatment	2,100	2,100	2,100	2,100
024-04504	Medical Evacuation	230	230	230	230
024-04505	Postal Charges	11	7	7	7
024-04508	Scientific & Technical Analysis	138	132	136	138
024-04509	Occupational Therapy	5	5	5	5
024-04710	Education Broadband	413	413	413	413
024-04800	Other Supplies & Services	3	65	61	63
	ADMINISTRATION COSTS	717	738	714	714
025-05101	Printing	12	14	13	13
025-05102	Stationery	20	18	18	18
025-05105	General Office Expenses	2	3	2	2
025-05201	Postages	5	5	5	5
025-05202	Telephones, Fax & Internet Charges	465	463	440	441
025-05203	International Telecoms	16	17	17	17
025-05205	Other Administration Costs	47	35	35	34
025-05206	Advertising	107	142	143	143
025-05300	Banking Fees	16	16	16	16
025-05301	Investment Management Fees	26	24	24	24
025-05302	Bank Charges - Debit Card	1	1	1	1
	PAYMENT TO OTHER AGENCIES, BODIES OR PERSONS	11,747	12,114	11,961	12,012
026-06101	Examination & Testing Fees	35	37	37	37
026-06104	Student Scholarship Scheme	64	8	12	10
026-06105	Apprenticeships	151	150	168	194
026-06106	Miscellaneous Farmers Support	16	6	6	6
026-06117	St Helena Hotel Development	200	200	200	200
026-06141	Public Solicitors Office	60	80	80	80
026-06143	Media Services	28	28	28	28
026-06145	Swimming Pool Contract	104	105	108	110
026-06148	Public Transport System	129	87	87	87
026-06157	St Helena National Trust	43	43	43	43
026-06158	Subsidy to Connect St Helena	1,517	1,654	1,517	1,517
026-06159	Equality & Human Rights	84	123	103	103
026-06162	Heritage Society	19	19	19	19
026-06163	New Horizons	57	57	57	57
026-06165	Legal Assistance Fund	35	35	35	35
026-06166	SHAPE	89	89	89	89
026-06167	Creative St Helena	17	0	0	0



GOVERNMENT OF ST HELENA TOTAL RECURRENT EXPENDITURE

Sub-Head No.		Previous Year Original Estimate 2024/25 £'000	Current Year Estimate 2025/26 £'000	Forecast Estimate 2026/27 £'000	Forecast Estimate 2027/28 £'000
026-06169	Cleaning Services for the Elderly	24	17	17	17
026-06200	Miscellaneous Grants	34	97	80	80
026-06204	Wharf Management Fee	3	3	3	3
026-06212	Consultancy Fees	923	984	995	1,020
026-06501	Social Benefits	1,178	1,171	1,236	1,236
026-06503	Community Employment & Allowances	58	44	44	44
026-06504	Better Life Allowances	275	258	258	258
026-06505	Basic Island Pension	2,894	3,214	3,254	3,254
026-06506	Child in Need Allowance	75	75	75	75
026-06507	Community Carer Allowances	325	327	327	327
026-06508	Home Care Support Workers	115	88	88	88
026-06700	St Helena Airport Ltd Subsidy Payments	2,995	2,995	2,995	2,995
026-06701	Freight Transport Subsidy	200	120	0	0
	OTHER EXPENDITURE	4,349	4,555	4,716	4,762
027-07101	Councillors Expenses	385	386	387	387
027-07102	Election Expenses	1	12	1	1
027-07104	Compensation	147	333	333	333
027-07106	UK Representative	211	212	212	212
027-07111	Ring-fenced Support	1,204	1,200	1,200	1,200
027-07112	Sub to Professional Bodies	45	23	25	25
027-07114	Legal Fees	151	181	183	183
027-07116	Ferry Service	29	36	58	58
027-07128	Accommodation & Travel	438	502	499	496
027-07135	Ad Hoc Committee Expenses	39	21	21	21
027-07136	Commonwealth Parliamentary Assoc.	47	12	4	4
027-07138	Transfer to Reserves	1,559	1,551	1,707	1,756
027-07139	Service Tax	93	86	86	86
	PAYMENTS TO CONTRACTORS	2,036	1,899	1,948	1,977
028-08101	Agricultural Contracts	63	52	50	50
028-08102	Bus Service	250	250	250	250
028-08103	Other Contracts	1,354	1,202	1,238	1,250
028-08104	Cleaning Contract	369	395	410	427
	RECHARGES	2,501	2,558	2,527	2,548
029-09900	Transport	883	929	887	890
029-09903	IT	1,146	1,149	1,156	1,159
029-09904	Customs	160	168	158	158
029-09905	Other	9	23	23	23
029-09907	Postal	1	1	1	1
029-09908	Audit Fees	302	288	302	317
	TOTAL EXPENDITURE	48,507	51,203	51,554	51,773

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.

Eight 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.

Priority 8 - To enable and support the delivery of SHG's vision and strategy through ensuring successful delivery of transformational change.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Central Support Service	2,136	0	30	(2,106)
Public Accounts Committee	6	0	0	(6)
Central Human Resources & Organisational Development	433	0	0	(433)
Technical Co-operation Posts	8,213	0	0	(8,213)
TOTAL	10,788	0	30	(10,758)

HEAD 12: CENTRAL SUPPORT SERVICE

Accounting Officer: Deputy Chief Secretary

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Supporting Governor's Office	148	0	148	0	157	157	157
Management & Administration	427	0	446	0	403	393	393
Information Services	54	0	54	0	41	41	41
Public & National Affairs	221	0	221	0	214	214	214
Supporting Executive & Legislative Councils	562	0	562	0	539	521	521
Public Accounts Committee	0	0	0	0	6	6	6
Programme Management Office	150	0	150	0	148	147	146
Technical Services	121	0	121	0	125	123	123
Geographic Information System	91	0	91	0	91	91	91
Communications Hub	340	0	340	0	341	311	311
Statistics Office	78	0	78	0	77	77	77
Human Resources Services	265	0	265	0	242	242	242
Technical Co-operation Posts	7,763	0	8,137	0	8,213	8,213	8,213
Learning & Development	191	0	191	0	191	191	191
TOTAL OUTPUTS	10,411	0	10,804	0	10,788	10,727	10,726
REVENUE BY OUTPUT							
Information Services	1	0	1	0	1	1	1
Public & National Affairs	17	0	17	0	17	17	17
Technical Services	12	0	12	0	6	9	12
Geographic Information System	14	0	14	0	6	6	6
TOTAL REVENUE	44	0	44	0	30	33	36
NET EXPENDITURE (REVENUE)	10,367	0	10,760	0	10,758	10,694	10,690

Note:

1. Appropriated under Head 12 is a new Output called Public Accounts Committee. Costs were previously allocated under Outputs Public & National Affairs and Supporting Executive & Legislative Councils

2. Included in the Total Outputs is an amount of £150k which is recharges between Heads of expenditure and Trading Accounts.

HEAD 14

ATTORNEY GENERAL'S CHAMBERS

ACCOUNTING OFFICER:
ATTORNEY GENERAL

HEAD 14: ATTORNEY GENERAL'S CHAMBERS

Accounting Officer: Attorney General

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Attorney General's Chambers	105	0	109	0	105	115	108
TOTAL OUTPUTS	105	0	109	0	105	115	108
NET EXPENDITURE (REVENUE)	105	0	109	0	105	115	108

Note:

Included is an amount of £23k 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 Building Maintenance. The Portfolio has a range of licensing and inspection services including providing a 24 hour emergency services contact, control and command centre administered by the Police.

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'.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Safety, Security and Home Affairs	3,049	46	167	(2,928)
TOTAL	3,049	46	167	(2,928)

HEAD 15: SAFETY, SECURITY & HOME AFFAIRS

Accounting Officer: Portfolio Director Safety, Security & Home Affairs

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Capital 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Capital 2026/27 £'000	Estimate Recurrent 2027/28 £'000	Estimate Capital 2027/28 £'000
EXPENDITURE BY OUTPUT										
Management & Administration	75	0	75	0	55	0	55	0	55	0
Fire & Rescue	338	0	338	0	340	0	365	22	347	6
HM Prison	436	0	438	0	453	0	446	0	446	0
Immigration	154	0	170	0	149	0	112	0	112	0
Emergency Planning	0	0	0	0	81	0	81	0	81	0
Sea Rescue Service	176	0	176	0	176	0	183	0	171	0
Customs	303	0	303	0	306	0	335	0	330	0
Port Management	286	56	348	24	285	0	364	0	365	0
Maritime Authority	27	0	27	0	123	0	94	0	94	0
Provision & Maintenance of Roads	421	0	421	0	430	0	443	0	423	0
Building Maintenance	542	46	542	46	554	46	541	46	541	46
Provision & Maintenance of Street Lighting	22	0	22	0	22	0	22	0	22	0
Rock Fall Protection	74	0	74	0	75	0	75	0	75	0
TOTAL OUTPUTS	2,854	102	2,934	70	3,049	46	3,116	68	3,062	52
REVENUE BY OUTPUT										
Immigration	59	0	59	0	106	0	70	0	65	0
Customs	5	0	5	0	5	0	5	0	5	0
Port Management	18	0	18	0	22	0	22	0	22	0
Provision & Maintenance of Roads	4	0	4	0	4	0	4	0	4	0
Building Maintenance	30	0	30	0	30	0	30	0	30	0
TOTAL REVENUE	116	0	116	0	167	0	131	0	126	0
NET EXPENDITURE (REVENUE)	2,738	102	2,818	70	2,882	46	2,985	68	2,936	52

Note:

1. Appropriated under Head 15 is a new Output called Emergency Planning. Costs were previously included under Head 18.
2. Included in the Total Outputs is an amount of £481k 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 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Justice Administration	146	0	153	0	147	147	147
TOTAL OUTPUTS	146	0	153	0	147	147	147
REVENUE BY OUTPUT							
Justice Administration	39	0	39	0	36	36	36
TOTAL REVENUE	39	0	39	0	36	36	36
NET EXPENDITURE (REVENUE)	107	0	114	0	111	111	111

Note:

Included is an amount of £14k 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 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.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Treasury	1,050	0	13,712	12,662
DC Pension Scheme Payments	1,045	0	0	(1,045)
Payments on behalf of the Crown	6,780	0	33,749	26,969
TOTAL	8,875	0	47,461	38,586

HEAD 17: TREASURY

Accounting Officer: Deputy Financial Secretary

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Key Policy Consultancies	500	0	500	0	0	0	0
Management of Social Security	49	0	49	0	46	46	46
Revenue Services	90	0	97	0	115	115	115
Central Finance	518	0	518	0	646	711	711
Post & Customer Services Centre	170	0	170	0	191	181	181
Payments on behalf of the Crown	6,549	0	6,832	0	7,825	7,625	7,719
Corporate Procurement Services	51	0	51	0	52	52	52
TOTAL OUTPUTS	7,927	0	8,217	0	8,875	8,730	8,824
REVENUE BY OUTPUT							
Revenue Services	12,362	0	12,362	0	13,619	13,467	13,618
Post & Customer Services Centre	65	0	65	0	93	93	93
Payments on behalf of the Crown	32,317	0	32,317	0	33,749	33,737	33,737
TOTAL REVENUE	44,744	0	44,744	0	47,461	47,297	47,448
NET EXPENDITURE (REVENUE)	(36,817)	0	(36,527)	0	(38,586)	(38,567)	(38,624)

Note:

1. Included in the Total Outputs is an amount of £395k which is recharges between Heads of expenditure and Trading Accounts.
2. Included in the revenues above are the following: FCDO Financial Aid £32,795k, Customs Duty £5,761k and Taxes £7,455k.

HEAD 18

POLICE OPERATIONS

ACCOUNTING OFFICER:
CHIEF OF POLICE

HEAD 18: POLICE OPERATIONS

Accounting Officer: Chief of Police

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Police Operations - St Helena Island	676	0	706	0	698	716	726
Police Operations - Ascension Island	196	0	196	0	196	196	196
TOTAL OUTPUTS	872	0	902	0	894	912	922
REVENUE BY OUTPUT							
Police Operations - St Helena Island	178	0	178	0	189	189	189
Police Operations - Ascension Island	196	0	196	0	196	196	196
TOTAL REVENUE	374	0	374	0	385	385	385
NET EXPENDITURE (REVENUE)	498	0	528	0	509	527	537

Note:

1. Emergency Planning previously included under Head 18 is now included under Head 15 as a separate Output.
2. Included in the Total Output is an amount of £74k which is recharges between Trading Accounts.
3. Included in revenue under Police Operations for St Helena Island is the Road Traffic Licenses of £181k.

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 manages and delivers some specific strategic projects and programmes, including the Tourism Development Programme, Telecommunications Programme, and Financial Services and Company Registry Development Programme.

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.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Economic Development	202	0	0	(202)
Financial Services & Company Registry Development	320	0	0	(320)
Tourism	574	0	0	(574)
Civil Aviation	1,714	250	0	(1,964)
Airport Operations	2,995	0	2,995	0
Property	102	0	263	161
TOTAL	5,907	250	3,258	(2,899)

HEAD 19: ECONOMIC DEVELOPMENT

Accounting Officer: Portfolio Director Economic Development

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Capital 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Capital 2026/27 £'000	Estimate Recurrent 2027/28 £'000	Estimate Capital 2027/28 £'000
EXPENDITURE BY OUTPUT										
Economic Development	236	0	236	0	202	0	212	0	237	0
Financial Services & Company Registry Development	280	0	280	0	320	0	320	0	320	0
Visitor Information Service	95	0	95	0	74	0	72	0	72	0
Tourism Development Programme	425	75	500	0	500	0	500	0	500	0
Civil Aviation & Shipping	1,680	250	2,936	0	1,714	250	1,930	131	1,988	250
Airport Operations	2,995	0	2,995	80	2,995	0	2,995	0	2,995	0
Crown Estates & Land Registration	67	0	67	0	102	0	108	0	108	0
TOTAL OUTPUTS	5,778	325	7,109	80	5,907	250	6,137	131	6,220	250
REVENUE BY OUTPUT										
Airport Operations	2,995	0	2,995	0	2,995	0	2,995	0	2,995	0
Crown Estates & Land Registration	221	0	221	0	263	0	263	0	263	0
TOTAL REVENUE	3,216	0	3,216	0	3,258	0	3,258	0	3,258	0
NET EXPENDITURE (REVENUE)	2,562	325	3,893	80	2,649	250	2,879	131	2,962	250

Note:

1. Included in the Total Outputs is an amount of £34k which is recharges between Heads of expenditure and Trading Accounts.
2. 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 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Defined Benefit Pension	1,665	0	1,665	0	1,806	1,811	1,811
Basic Island Pension	2,894	0	2,894	0	3,214	3,254	3,254
Income Related Benefit	1,176	0	1,176	0	1,169	1,235	1,235
TOTAL OUTPUTS	5,735	0	5,735	0	6,189	6,300	6,300
NET EXPENDITURE (REVENUE)	5,735	0	5,735	0	6,189	6,300	6,300

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 St Helena and support the economic and human capital development of the island. A key focus of the Portfolio is to implement the recommendations of the St Helena Education Review 2025, deliver the primary school reorganisation and working to secure COBIS standards in our schools.

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). This is 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 through working to achieve COBIS standards.

Priority 2 - Operate an inclusive system that meets the needs of all children and young people.

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 and meet the skills needs of the Island.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Education, Skills and Employment	3,871	0	1	(3,870)

HEAD 22: EDUCATION, SKILLS AND EMPLOYMENT

Accounting Officer: Portfolio Director Education, Skills and Employment

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Management and Administration	181	0	181	0	163	209	209
Vocational Education	448	0	448	0	424	444	473
Pilling Primary and Pre-school	320	0	320	0	335	330	330
Harford Primary and Pre-school	326	0	326	0	349	348	348
St Paul's Primary and Pre-School	338	0	338	0	362	347	347
Secondary Education	1,050	68	1,050	68	1,058	1,056	1,059
Inclusion	281	0	281	0	312	296	296
Education Standard Support	423	0	423	0	434	497	497
Education Reform	0	0	0	0	250	250	250
Teacher Training	56	0	56	0	65	62	62
Tertiary Education	104	0	104	0	85	91	120
Public Library	35	0	35	0	34	34	34
TOTAL OUTPUTS	3,562	68	3,562	68	3,871	3,964	4,025
REVENUE BY OUTPUT							
Vocational Education	2	0	2	0	1	1	1
Secondary Education	0	0	0	0	0	1	1
TOTAL REVENUE	2	0	2	0	1	2	2
NET EXPENDITURE (REVENUE)	3,560	68	3,560	68	3,870	3,962	4,023

Note:

1. Appropriated under Head 22 is a new Output called Education Reform.

2. Included in the Total Outputs is an amount of £415k 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 is 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.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Health Services	3,683	264	175	(3,772)
Aero Medical Evacuation	230	0	0	(230)
Overseas Medical Treatment	2,100	0	15	(2,085)
Children and Adult Social Care	3,384	0	117	(3,267)
Better Life Allowance	258	0	0	(258)
TOTAL	9,655	264	307	(9,612)

HEAD 23: HEALTH AND SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Capital 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Capital 2026/27 £'000	Estimate Recurrent 2027/28 £'000	Estimate Capital 2027/28 £'000
EXPENDITURE BY OUTPUT										
Management & Administration	324	55	432	0	348	0	348	0	350	0
Local Medical	1,498	0	1,687	31	1,540	237	1,544	237	1,549	261
Overseas Medical	2,343	0	2,490	0	2,344	0	2,344	0	2,344	0
Hospital/Acute Care	723	18	748	18	699	0	708	0	717	0
Community Care (Primary Care)	206	0	206	0	212	15	213	0	213	0
Dental	139	0	139	0	139	0	139	0	139	0
Environmental Health	174	0	176	0	208	12	186	0	187	0
Laboratory	369	0	402	0	320	0	320	0	320	0
Hospital Resilience	86	0	93	0	105	0	101	0	102	0
Mental Health	95	0	99	0	98	0	98	0	99	0
Social Care Support Services	45	0	45	0	46	0	51	0	51	0
Learning Disabilities	165	0	165	0	175	0	162	0	161	0
Supported Accommodation (Family Centre)	117	0	117	0	115	0	117	0	117	0
Sheltered Accommodation	327	0	327	0	324	0	323	0	324	0
Community Care	1,287	0	1,338	0	1,366	0	1,402	0	1,405	0
Domiciliary Care	392	0	444	0	410	0	413	0	419	0
Probation Services	12	0	12	0	13	0	13	0	13	0
Safe Haven & Children's Residential Services	80	0	134	0	98	0	100	0	100	0
Children Services	252	0	252	0	257	0	257	0	257	0
Adult Services	832	0	882	0	838	0	838	0	839	0
TOTAL OUTPUTS	9,466	73	10,188	49	9,655	264	9,677	237	9,706	261

HEAD 23: HEALTH AND SOCIAL CARE

Accounting Officer: Portfolio Director Health & Social Care

	Estimate Recurrent 2024/25 £'000	Estimate Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Capital 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Capital 2026/27 £'000	Estimate Recurrent 2027/28 £'000	Estimate Capital 2027/28 £'000
REVENUE BY OUTPUT										
Local Medical	60	0	60	0	60	0	60	0	60	0
Overseas Medical	15	0	15	0	15	0	15	0	15	0
Hospital/Acute Care	42	0	42	0	42	0	42	0	42	0
Dental	26	0	26	0	26	0	26	0	26	0
Environmental Health	7	0	7	0	7	0	7	0	7	0
Laboratory	40	0	40	0	40	0	40	0	40	0
Bradleys Operations	0	0	0	0	0	0	0	0	0	0
Support Services	0	0	0	0	0	0	0	0	0	0
Family Centre	0	0	0	0	0	0	0	0	0	0
Supported Accommodation	9	0	9	0	7	0	7	0	7	0
Sheltered Accommodation	16	0	16	0	16	0	16	0	16	0
Community Care	94	0	94	0	94	0	94	0	94	0
TOTAL REVENUE	309	0	309	0	307	0	307	0	307	0
NET EXPENDITURE (REVENUE)	9,157	73	9,879	49	9,348	264	9,370	237	9,399	261

Note:

1. Included in the Total Outputs is an amount of £649k which is recharges between Heads of expenditure and Trading Accounts.
2. 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.

Summary of Budgeted Expenditure and Revenue for 2025/26

	Recurrent Expenditure £'000	Capital Expenditure £'000	Revenue £'000	Surplus/(Deficit) £'000
Environment, Natural Resources and Planning	1,723	0	118	(1,605)

HEAD 26: ENVIRONMENT, NATURAL RESOURCES AND PLANNING

Accounting Officer: Portfolio Director, Environment Natural Resources & Planning

	Original Recurrent 2024/25 £'000	Original Capital 2024/25 £'000	Revised Recurrent 2024/25 £'000	Revised Capital 2024/25 £'000	Estimate Recurrent 2025/26 £'000	Estimate Recurrent 2026/27 £'000	Estimate Recurrent 2027/28 £'000
EXPENDITURE BY OUTPUT							
Management & Administration	92	0	109	0	133	133	133
Forestry	232	0	239	0	248	255	255
Marine and Fisheries Enforcement	79	0	79	0	90	90	90
Biosecurity Services	48	0	48	0	58	49	49
Agricultural Support	332	0	323	26	299	323	323
Grounds Maintenance	59	0	59	0	51	42	42
Planning & Development Control	92	0	93	0	94	94	99
Upkeep of Public Facilities & Areas	34	0	34	0	46	46	47
Environmental Protection	74	0	74	0	74	74	74
Terrestrial Conservation	166	0	166	0	174	176	174
Marine Conservation	82	0	82	0	87	87	87
Environmental Risk Management	361	0	367	0	369	360	360
TOTAL OUTPUTS	1,651	0	1,673	26	1,723	1,729	1,733
REVENUE BY OUTPUT							
Forestry	22	0	22	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	50	0	50	0	50	50	50
Planning & Development Control	9	0	9	0	9	9	18
Environmental Protection	0	0	0	0	1	0	0
Environmental Risk Management	20	0	20	0	10	10	10
TOTAL REVENUE	127	0	127	0	118	117	126
NET EXPENDITURE (REVENUE)	1,524	0	1,546	26	1,605	1,612	1,607

Note:

Included in the Total Outputs is an amount of £321k which is recharges between Heads of expenditure and Trading Accounts.

ADDITIONAL INFORMATION

TRADING ACCOUNTS

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

	Revenue	Expenditure	Surplus	Revenue	Expenditure	Surplus	Revenue	Expenditure	Surplus	Accounting Officer
	2025/26	2025/26	/(Deficit)	2026/27	2026/27	/(Deficit)	2027/28	2027/28	/(Deficit)	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
TRADING ACTIVITIES										
Information Technology	1,339	1,195	144	1,404	1,177	227	1,472	1,174	298	IT Section Manager
Cable Landing Station	458	647	(189)	458	652	(194)	458	655	(197)	IT Section Manager
Transport	920	1,518	(598)	964	1,348	(384)	964	1,119	(155)	Senior Transport Manager
St Helena Audit Service	438	438	0	452	442	10	467	448	19	Chief Auditor
Housing Service	311	306	5	323	322	1	323	322	1	Head of Property
Internal Audit Service	46	46	0	43	43	0	43	43	0	Group Head of Internal Audit and Risk
St Helena Research Institute	2	32	(30)	3	5	(2)	3	1	2	Portfolio Director Education, Skills and Employment
Public Transport Service	190	197	(7)	190	197	(7)	190	197	(7)	Senior Transport Manager
TOTALS	3,704	4,379	(675)	3,837	4,186	(349)	3,920	3,959	(39)	

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

ANNEX A:

**DETAILS OF SIGNIFICANT
POLICY DECISIONS**

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

2025/26 — 2027/28

DECISIONS AFFECTING RECEIPTS

Since the 2024/25 Budget, the government has made the following significant decisions affecting SHG receipts.

Table A1: Summary of policy decisions affecting receipts

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Head 17: Treasury —				
Annual indexation of alcohol and tobacco duty	20	*	*	*
Introduction of excise on electronic cigarettes and associated fluids	-	*	*	*
Total	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 products is being reviewed with the possibility of being increased.

Impact on receipts

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Annual indexation of alcohol and tobacco duty	20	*	*	*

As in prior years, the government is considering increasing the rate of import duty on alcohol and tobacco products.

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 July 2025.

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

The government is considering the introduction of an import tax on electronic cigarettes and associated fluids.

Impact on receipts

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'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, if agreed, will not be applied until later in the financial year, 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 appropriate.

DECISIONS AFFECTING PAYMENTS

Since the 2024/25 Budget, the government has made the following significant decisions affecting SHG payments.

Table A2: Summary of policy decisions affecting payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Head 12:				
Central Support Service —				
Supplementation of the Technical Cooperation Programme	374	300	300	300
Head 15:				
Safety, Security & Home Affairs —				
Additional funding for emergency planning	-	32	41	41
Additional funding for the Maritime Authority	-	96	67	67
Head 17: Treasury —				
Additional funding for legal costs associated with civil and criminal cases	-	193	-	-
Freight Transport Subsidy supplementation and continuation	260	120	-	-
Funding for Deputy Chief Executive Officer for the Equality and Human Rights Commission	-	19	19	19
Increase in subsidy to Connect Saint Helena to account for the fuel risk share mechanism	-	137	-	-
Implementation of the minimum wage increase	337	337	450	450
Uplift in the Public Service pay scale	-	750	1,000	1,000
Head 19:				
Economic Development —				
Financial services and company registry development	280	40	40	40
Head 20:				
Pensions and Benefits —				
Increase in the Basic Island Pension rate	-	129	172	172
Increase in Public Sector pensions-in-payment	-	51	69	69
Head 22:				
Education, Skills & Employment —				
Education Reform Programme	-	300	300	300
Head 23:				
Health & Social Care —				
Increase in the rates of Better Life Allowance	-	10	10	10
Total	1,251	2,514	2,468	2,468

Decisions affecting payments in detail

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

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Supplementation of the Technical Cooperation Programme	374	300	300	300

During 2024/25, it was expected that there would be an overspend in the Technical Cooperation Programme. The government, therefore, provided an additional £374,000 to the programme in the *Third Supplementary Appropriation (2024/25) Ordinance 2025*.

This additional pressure on the TC programme is as a result of a high level of over programming and increased demand for statutory posts that cannot be filled locally, and has created a need for additional funding to be allocated in 2025/26.

Head 15: Safety, Security & Home Affairs — Additional funding for Emergency Planning

The Emergency Planning function has moved from Police Operations to the Safety, Security & Home Affairs Portfolio, in addition to this the government has agreed to provide the Safety, Security & Home Affairs Portfolio additional funding for Emergency Planning in 2025/26.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Additional funding for emergency planning	-	32	41	41

The additional funding will increase capacity within the team to include an Emergency Planning Officer and a Health & Safety Officer, as well as providing other operational costs for the function to operate effectively.

Head 15: Safety, Security & Home Affairs — Additional funding for the Maritime Authority

The government agreed to provide the Safety, Security & Home Affairs Portfolio additional funding for the Maritime Authority.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Additional funding for the Maritime Authority	-	96	67	67

This additional funding allocation is necessary to ensure that the Maritime Authority is equipped and resourced to deliver its statutory function under local and international law particularly in the context of the recent audit.

This includes two additional posts required to develop and progress the maritime remit and funding for maritime incident response and technical consultancy support for maritime policy work.

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

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Additional funding for legal costs associated with civil and criminal cases	-	193	-	-

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 2024/25 demand for external legal expertise exceeded initial budget allocations and supplementation is required. Additional funding was made available by the first and third Supplementary Appropriation Ordinances.

Head 17: Treasury — Freight Transport Subsidy supplementation and continuation

The Freight Transport Subsidy will be continued for the first four voyages in 2025/26.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Freight Subsidy supplementation and continuation	260	120	-	-

The government has committed to continuing the Freight Transport Subsidy, moving cargo from Rupert's into Jamestown, until the new Rupert's Port facility becomes operational and cargo can be discharged and managed safely from there.

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

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Funding for specialist legal advice for the Equality and Human Rights Commission	-	19	19	19

The creation of a Deputy Chief Executive Officer position within the EHRC is expected to improve 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 — Including the Fuel Risk Share mechanism into Connect Saint Helena's subsidy allocation

The government has decided to incorporate the Fuel Risk Share Mechanism into the allocation for subsidy to Connect Saint Helena Ltd in the budget.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Incorporation of the Fuel Risk Share mechanism into Connect Saint Helena's allocation in the budget	-	137	-	-

In 2019/20 financial year, a Fuel Risk Share mechanism was put in place with Connect as part of their subsidy agreement, whereby SHG agreed to provide additional subsidy to cover the additional cost of fuel for electricity generation if the wholesale price of diesel excluding import duty goes above a base price agreed as part of the budget process. If the price of fuel dipped below the base price, Connect would reduce their subsidy requirement by an equivalent amount.

In 2024/25 financial year the Fuel Risk Share mechanism was fixed at a maximum of £137,000 for the year. This fixed amount was not provided for in the budget, but if needed during the year, an additional allocation would be sought through a supplementary appropriation.

The government has decided to specifically set aside the Fuel Risk Share mechanism amount in the Budget this year, so that if needed during the course of the financial year it will not cause unnecessary financial pressure.

Head 17: Treasury — Implementation of minimum wage increase

The government agreed in March 2025 an increase to the minimum wage of 50p per hour. As an employer on the island the government must also ensure that it complies with the minimum wage and adjust its pay scale accordingly.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Implementation of the minimum wage increase	337	337	450	450

This change will take effect from 1 July 2025 and will increase from £4.00 to £4.50 per hour for persons over 18 years, and £3.05 to £3.55 for persons aged 16 or 17 years, representing an annual increase of 12% and 16% respectively.

The approval of this increase is in line with the objective of establishing a more ambitious minimum wage, benefitting workers and providing adequate time for businesses to plan and adapt.

Head 17: Treasury — Uplift in Public Sector pays

The government has agreed to increase public sector pays effective from 1 July 2025.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Uplift in the Public Service pay scale	-	750	1,000	1,000

The Public Service faces significant recruitment and retention issues. It is simply not competitive with private sector employers on the island nor labour markets outside of St Helena i.e. the Falkland Islands, Ascension Island and the UK.

Without a skilled workforce the government will not be able to deliver the services needed within the community or deliver on the strategic outcomes.

The planned adjustment to the Public Service Pay scale will bring Public Sector pays closer to 60% of the equivalent pay bands on the National Joint Council (NJC) 2019 pay rates which was envisaged as part of the Public Service Pay Policy 2019.

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

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Financial services and company registry development	280	40	40	40

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.

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.

The additional funding allocation seeks to support this by increasing capacity within the team.

Head 20: Pensions and Benefits — Increase in the Basic Island Pension

The government has agreed to an increase in the Basic Island Pension.

This change will take effect from 1 July 2025 and will increase from £80.60 per week to £85.00 per week for individuals over the age of 65 years with 30+ qualifying years.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Increase in the Basic Island Pension rate	-	129	172	172

Head 20: Pensions and Benefits — Increase in pensions-in-payment

The government has agreed to an increase in SHG defined benefits pensions-in-payment for individuals who previously worked for SHG and were eligible for a pension.

This increase will take effect from 1 July 2025.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Increase in Public Sector pensions-in-payment	-	51	69	69

Section 17 of the Pensions Ordinance 2012 provides that whenever it appears to the Governor to be equitable so to do, having regard to changes in the wages and salaries paid to serving public officers and employees, the Governor may order that the benefits payable to any person under the Ordinance or the emoluments or pay to be taken into account in determining the amount of any benefit, are to be increased by an amount that the Governor considers equitable.

In considering the planned uplift in Public Sector pays from 1 July 2025, the government considers it equitable to increase pensions-in-payment by 5.5%.

Head 22: Education, Skills & Employment — Education Reform Programme

The government has agreed to provide funding to support an Education Reform Programme.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Education Reform Programme	-	300	300	300

The Education reform programme is being established specifically to address Education challenges by adopting and implementing COBIS standards.

This intervention is required to address the diminishing standards within Education that is impacting SHG's ability to provide an educational service that can be relied upon and to invest in our working age population by preparing our students for such jobs.

Head 23: Health & Social Care — Increase in the Better Life Allowance

The government agreed to increase the amounts payable for the Better Life Allowance (BLA) by 5.5%.

Impact on payments

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Increasing the Better Life Allowance	-	10	10	10