



National Audit Office



REPORT

Realising the benefits of St Helena Airport: a progress update

Foreign, Commonwealth & Development Office

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National Audit Office

Realising the benefits of St Helena Airport: a progress update

Foreign, Commonwealth & Development Office

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

5 February 2025

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Introduction

1 St Helena, together with Ascension Island and the archipelago of Tristan da Cunha, form one of the UK's 14 overseas territories. St Helena is a small island of volcanic origin in the South Atlantic, 16° south of the equator (**Figure 1**). It is remote and isolated, 1,300 kilometres from Ascension Island, its nearest landmass, and 1,900 kilometres west of Africa. It is 122 km² in area, which is about a third of the size of the Isle of Wight. It has a population of around 4,000, 29% of whom are aged 65 or over.

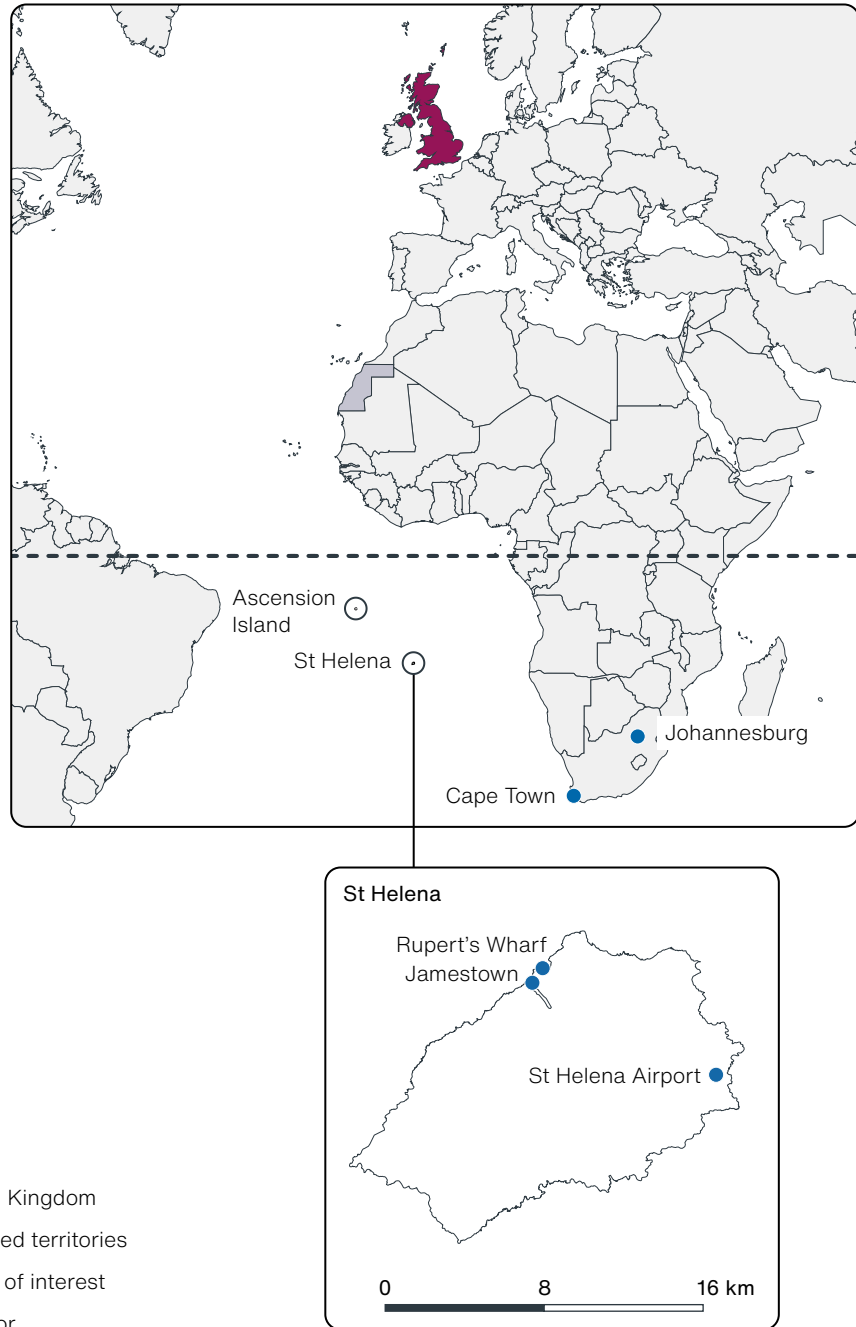
2 St Helena is self-governing and autonomous as set out in its constitution. The Governor is the representative of the King on the island and the de facto head of state. The Foreign, Commonwealth & Development Office (FCDO) has lead responsibility for the constitutional relationship between the UK and its overseas territories. Before 2021, the island's residents elected 12 members to the St Helena Government's Legislative Council every four years. In 2021, the St Helena Government moved to a ministerial system, whereby five of the 12 elected members are chosen as ministers with executive roles in the Executive Council, including a Chief Minister (**Figure 2** on page 6). The Executive Council sets the long-term objectives, strategy and policies for the island, and is responsible for the delivery of St Helena's public services. The new governance system is currently subject to a review jointly commissioned by the St Helena Government and the Governor. FCDO aims to support, enable and encourage the St Helena Government.

3 The UK government's long-standing policy is to meet the reasonable assistance needs of the UK's overseas territories, where financial self-sufficiency is not possible. This responsibility flows from international law, including the Charter of the United Nations, the shared history of the UK and its overseas territories, and a political commitment to the wellbeing of all British nationals. FCDO provides financial and technical assistance to four of the UK's overseas territories that are eligible for overseas development assistance, which includes St Helena. FCDO's long-term aim is to help those territories achieve sustainable growth and financial independence from the UK.

Figure 1

St Helena's location in the South Atlantic

St Helena is situated 1,900 kilometres west of Africa and 2,900 kilometres east of South America



- United Kingdom
- Disputed territories
- Points of interest
- Equator

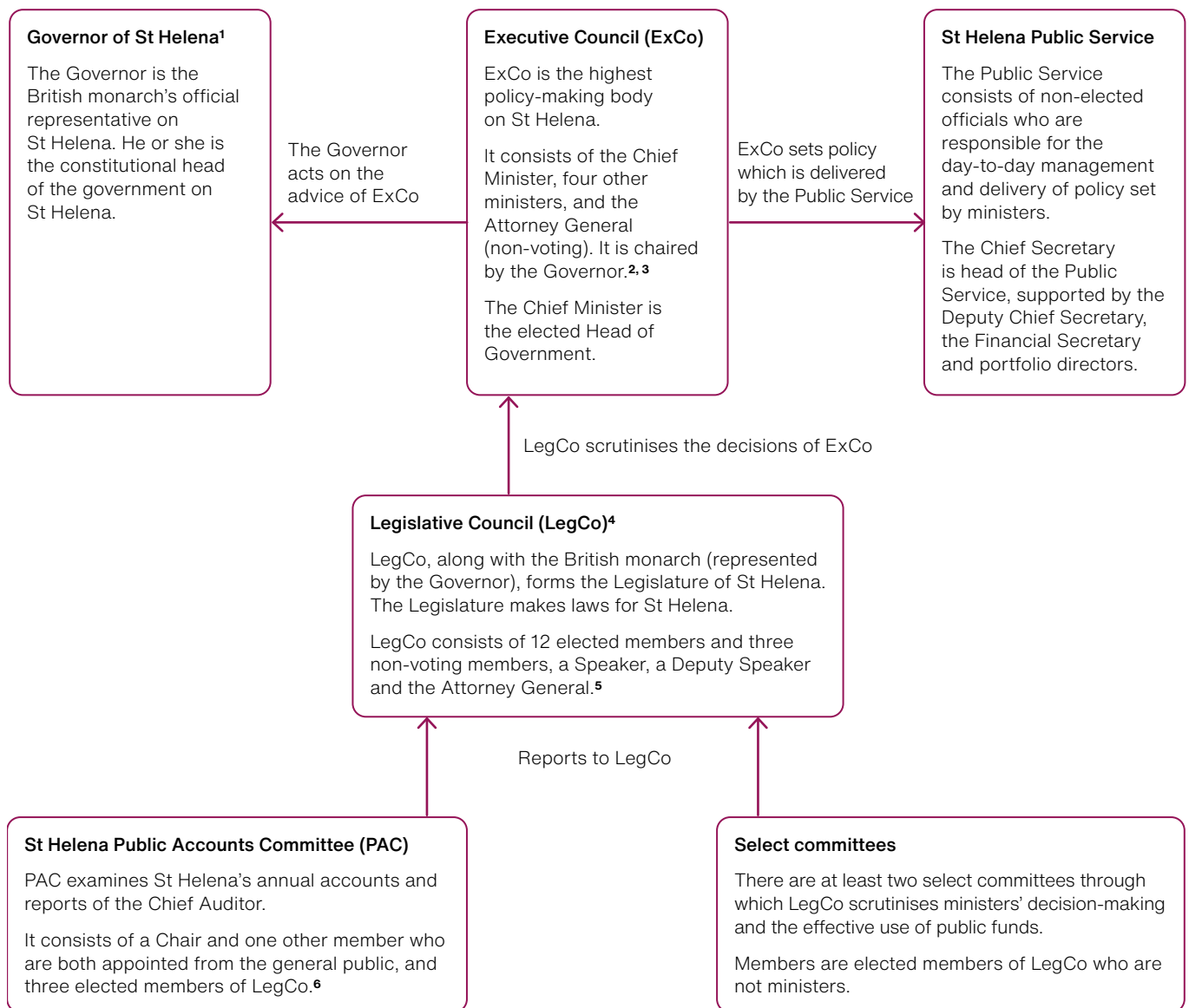
Notes

- 1 The nearest landmass to St Helena is Ascension Island, which is 1,300 kilometres to the northwest.
- 2 Flights to St Helena run from Johannesburg all year and, in addition, from Cape Town in peak season.
- 3 Rupert's Wharf is the location of replacement bulk fuel installation which was part of the original airport project.

Source: National Audit Office analysis of St Helena Government documents

Figure 2
St Helena governance structure

The Executive Council is the highest policy-making body on St Helena



Notes

- 1 The Governor of St Helena is also the British monarch's official representative on Ascension Island and Tristan da Cunha.
- 2 The Chief Minister is elected by the Legislative Council from among the 12 elected members of the Council and officially appointed by the Governor.
- 3 The four other ministers are appointed by the Governor on the advice of the Chief Minister from the remaining 11 elected members of the Legislative Council. The remaining seven elected members are termed 'councillors'.
- 4 The Legislative Council includes the Chief Minister and the four ministers.
- 5 The Speaker and Deputy Speaker are elected by the Legislative Council from the wider electorate.
- 6 The Chair and the other representative of the general public on the St Helena Public Accounts Committee are appointed by the Governor in consultation with the elected members of the Legislative Council. The other three members of the Committee are elected by the Legislative Council from the seven councillors.

4 Following a 10-year period of consultation, a feasibility assessment and concept development, in 2011, FCDO entered into a £285.5 million contract with a South African company, Basil Read, to design and construct an airport and associated infrastructure, including a replacement fuel depot (the bulk fuel installation), on St Helena, and then operate it for the first 10 years. The airport replaced the cargo-passenger service, Royal Mail Ship (RMS) St Helena, which was nearing the end of its operational life, thus improving the island's accessibility. The construction of the airport was completed in 2016 and, after a delay while the impact of difficult wind conditions on landing aircraft safely was assessed, it opened to commercial flights in October 2017. The RMS St Helena service was originally planned to end in July 2016 but was extended to February 2018 to allow continued access to the island until commercial flights started.

5 The annual amount of aid the St Helena Government receives from the UK government is based on FCDO's assessment of "reasonable assistance needs". It is the difference between the budget the St Helena Government needs to deliver public services, and its income, mainly generated through taxes. The St Helena Government received £37.8 million in aid from the UK government in 2023-24. In its business case for the airport, FCDO expected that the airport would significantly increase tourism to St Helena, increasing the island's self-generated income so that St Helena would eventually become more financially self-sufficient and no longer require financial aid from the UK government by 2043. In its December 2016 report *St Helena Airport*, the Public Accounts Committee (PAC) said it was sceptical about the forecast tourism figures and St Helena's ability to support the projected growth in the tourism industry. It noted, however, that the airport would bring other benefits to residents, such as improved access to health services and employment prospects. PAC made a series of recommendations to FCDO about the project, for which FCDO subsequently published a series of progress updates (Appendix Two).

6 This report is an update to our 2016 report *Realising the benefits of the St Helena Airport project*. We undertook this work following concerns raised by Parliament about the functionality of St Helena Airport and associated infrastructure. This factual report sets out progress against the aims set out in the airport business case since our last report. The scope of this report is as follows.

- The key developments to the airport and associated infrastructure since 2016.
- The benefits realised since the airport became operational.
- Current and future arrangements in place to continue to manage the airport and associated infrastructure on St Helena.

7 The focus of this report is on FCDO and what it is doing to support the St Helena Government to realise the benefits of the airport and become more economically self-sufficient. While we comment on other initiatives on St Helena that are relevant to FCDO's objectives, our report examines the role of FCDO, and we are not auditing the St Helena Government. Our report is factual, and we have not sought to conclude on value for money.

Summary

Key findings

Development of St Helena Airport, associated infrastructure and airline services

8 St Helena Airport has been operating commercial flights since 2017, improving accessibility and access to health services for residents. St Helena Airport was granted an operating certificate in May 2016. A schedule of at least one flight per week between South Africa and St Helena, operated by the South African airline Airlink, started in October 2017. Air travel has replaced travel by sea as the way most people, and some freight, reach the island. Flights to South Africa are considerably quicker, at approximately six hours, and more frequent, than the five-day trip on RMS St Helena that operated once every three weeks. Many flights carry residents from the island for medical treatment in South Africa that cannot be provided on the island. In addition, the airport has also enabled medical evacuation (medivac) flights to support the provision of urgent and life-saving medical treatment in South Africa and was used to deliver COVID-19 vaccines in 2021. In addition, the improved accessibility allows residents to take up opportunities off the island, in particular employment, in the knowledge that they can return to or visit the island more easily now (paragraphs 1.2, 1.3, 1.7 and 2.13 to 2.15).

9 The commercial viability for airline companies of operating a regular service to St Helena is limited by the island's remoteness, the short runway length and local wind conditions. Test flights to the airport in 2016 revealed difficult wind conditions that delayed the first commercial flights by around 17 months and resulted in it being classified as a Category C airport, which requires pilots to undertake specific training and gain relevant experience to be allowed to land and take off. This, together with the island's remoteness and the relatively short length of the runway at 1,550 metres, reduces the types and capacity of aircraft that are commercially viable for airlines to fly to the island. The airline Comair, which had been contracted by the St Helena Government, with support from FCDO, to operate commercial flights, withdrew from the contract following test flights in 2016. In 2017, a commercial agreement with Airlink was secured to operate weekly scheduled flights between South Africa and the island. Airlink operates planes to St Helena with capacity for 98 passengers (paragraphs 1.3, 1.6 to 1.8, and 1.11).

10 FCDO has supported the introduction of technology to minimise some of the constraints on planes using the airport, but has assessed that further significant improvements are unfeasible. Between 2017 and 2024, an average of 11% of inbound flights to St Helena were delayed or cancelled and rescheduled, and the proportion has been higher in the most recent two years. In 2016, FCDO funded the installation of a LiDAR system at the airport to help assess wind conditions, providing more accurate and timely information on landing conditions, reducing uncertainty and enabling some flights to run that might otherwise have been deemed too risky.¹ The equipment is nearing the end of its life and FCDO is committed to providing approximately £1.5 million to replace it in the 2025-26 financial year. FCDO does not consider there to be any other practical options to mitigate the limitations of the airport, but it is committed to supporting requests made by St Helena Airport Ltd and the St Helena Government should they identify other potential options. Potential improvements, including extending the runway or removing a hill that exacerbates the wind conditions, have been assessed to be prohibitively expensive, and ineffective in addressing the climate-related issues (paragraphs 1.5, 1.6 and 1.11).

11 FCDO is currently providing the St Helena Government with just under £4 million per year to subsidise the airport and the commercial airline service. The St Helena Government has a risk-sharing agreement with Airlink which provides subsidy, paid by FCDO, to the airline should flights be delayed or cancelled, or not profitable due to low passenger numbers. Between June 2023 and May 2024, this amounted to £807,000. In November 2024, the contract with Airlink was renegotiated and extended until at least March 2028. The current low numbers of flights and passengers means the airport's income does not cover its costs and FCDO subsidises the airport by providing almost £3 million per year to the St Helena Government to meet this shortfall (paragraphs 1.4, 1.9, 1.10 and 2.3).

¹ LiDAR (light detection and ranging) allows real-time wind shear and turbulence data to be collected before and during flights, improving safety and reducing the uncertainty over wind conditions which led to some flights being delayed unnecessarily.

12 A replacement bulk fuel installation, required to support the airport and the island's future energy needs, is unfinished and nine years overdue because construction was interrupted first by contractor failure and then by COVID-19.

The replacement bulk fuel installation was a key component of the initial airport business case, and was intended to store aviation fuel, diesel for generators to supply the island's electricity, and fuel for private vehicles on the island.

The South African company Basil Read, which built the airport, was contracted to build the replacement installation with a target completion date of June 2015, but entered administration with the project unfinished in 2018. Replanning of the work needed to complete the installation's construction was paused during the COVID-19 pandemic. By May 2020, FCDO had spent £78 million on the construction of the bulk fuel installation, more than twice the original budget of £31 million, because of changes to the design in response to changing operational needs and evolving standards for fuel storage. This includes a requirement for less aviation fuel than originally forecast. The St Helena Government and FCDO are currently considering options to restart works to a revised specification but have not yet finalised costs or commissioned the works. FCDO and St Helena Government acknowledge the urgent need to replace the existing bulk fuel installation, which is essential for the island's current energy needs, and is beyond its recommended lifespan. In 2023, FCDO funded a condition assessment review of the existing installation to ensure it was safe to operate, which made recommendations for its ongoing maintenance (paragraphs 1.12 to 1.15).

Progress realising the expected benefits of the airport

13 FCDO considers the COVID-19 pandemic to be the main reason the airport has so far failed to increase tourism to St Helena and growth in the St Helena Government's income. The rate of increase in tourist numbers is currently well below that projected in the airport business case. In 2019, 2,481 tourists arrived on the island, in line with expected numbers in the business case for that year. However, the COVID-19 pandemic resulted in the cessation of commercial flights, and therefore tourism, for two years. The St Helena Government put in place its Tourism Recovery Strategy for the period 2022 to 2024, supported by £1 million of ring-fenced funding from FCDO. The strategy set the expectation that tourism on the island would recover to pre-pandemic levels by the end of 2024. In 2023, 2,112 tourists arrived, fewer than the pre-pandemic peak, and around a quarter of the approximately 8,000 for 2023 projected in the airport business case (paragraphs 2.2, 2.3 and 3.4).

14 Since the airport opened, financial aid provided by the UK government to support the St Helena Government's recurrent annual budget has increased in real terms from £26.7 million in 2015-16 to £33.0 million in 2023-24. As well as increased income from tourism, FCDO expected the airport to help reverse the decline in the island's population and increase the St Helena Government's income generated from the island's economy. However, between 2016 and 2024, the overall population decreased by around 10%, principally through reductions in the working-age population, resulting in an increase in the proportion of the population over the age of 65. FCDO attributes the increase in the amount of aid required in part to the St Helena Government's rising health and social care expenditure associated with an aging population, which rose from £5.2 million in 2012-13 to £16.4 million in 2022-23 (paragraphs 2.7 and 2.9 to 2.11).

15 FCDO acknowledges that the increase in tourist numbers it expected the airport to attract was over-optimistic and is unlikely to be achieved within the original timeframe. In 2024, FCDO confirmed that it still regards growth in tourism as the main opportunity for increasing the St Helena Government's revenue, and reducing aid from the UK government. However, it acknowledges that the increase envisaged in the business case for the airport to 29,000 tourists per year after 25 years of the airport being open was overly optimistic and unlikely to be achieved, and therefore nor will the envisaged increase in the St Helena Government's income. The original airport business case highlighted that St Helena was an untested tourist destination and therefore there was uncertainty over the level of tourist growth that could be achieved. FCDO still considers that tourist numbers will grow over time and is working with the St Helena Government to reassess tourist projections for 2025 and beyond. Challenges to attracting more tourists to the island include the frequency of delays or cancelled flights, and the limited amount of hotel accommodation on the island. Some tourist-related businesses on the island are wary of developing their offers without greater confidence over future growth in the number of tourists (paragraphs 1.11, 3.2, 3.5 and 3.6).

16 There are no indications that inward investment to the island has increased as expected as a result of the airport, and FCDO has committed around £38 million to the St Helena Government to support economic development. The airport business case anticipated that the airport would attract inward investment to the island. FCDO regards it as too early into St Helena's recovery after the COVID-19 pandemic to determine whether the airport has increased or will increase inward investment. In addition to the annual aid budget, FCDO is providing the St Helena Government with capital funding of £30 million over the period 2018-19 to 2027-28 to fund economic development projects, in part to support the realisation of the airport's benefits. This is additional to £7.6 million provided by FCDO between 2012-13 and 2020-21 to fund Enterprise St Helena, an arm's-length body of the St Helena Government which sought to stimulate private sector development, and supported around 85 business start-ups (paragraphs 2.12, 3.3, and 3.7).

17 FCDO and other UK government departments support activities that contribute to protecting and developing key assets on the island, which may attract more tourists and grow the economy. FCDO has committed £3.7 million between 2021-22 and 2024-25 for the restoration of the St Helena Cloud Forest, a significant contributor to the island's biodiversity and the source of most of its fresh water. The Department for Environment, Food & Rural Affairs has provided more than £2 million between 2019-20 and 2022-23 through its Darwin Plus programme which supports the natural environment and climate change resilience in UK overseas territories. FCDO's Blue Belt programme, launched in 2017, supports UK overseas territories with the protection and sustainable management of their marine environments, which is a key priority for St Helena as diving is one of its most important tourism industries. FCDO supported feasibility studies that led to high-speed broadband arriving on the island in 2019, through connection to an undersea fibre optic internet cable (paragraphs 3.8 to 3.11).

Concluding remarks

18 The airport is operational and is functioning as well as it can within the constraints on its operations. However, the airport alone has not yet enabled the growth of tourists and income from tourism envisaged in the original airport business case or the anticipated reduction in aid provided to the island by the UK government. Some of the associated infrastructure is yet to be completed nine years after the original planned date, having already cost twice as much as anticipated.

19 FCDO is committed to supporting the St Helena Government to become less dependent on aid from the UK government over time, without setting a target date for self-sufficiency, and it still regards increasing tourism as the main way to achieve this. The COVID-19 pandemic was a considerable setback to progress against the aims of the airport's business case and the St Helena Government faces challenges to increasing economic growth, including continued depopulation and the associated reduction in its skills base. Ownership of these challenges rests with the St Helena Government, but FCDO has a critical role in supporting the St Helena Government in a range of ways, including funding capital projects and technical support. However, it is not clear to what extent FCDO and the St Helena Government are still aiming to achieve everything that was set out in the business case from the investment in the airport. FCDO needs to work with the St Helena Government to set out projections for tourist numbers and tourism income, and understand how it can support a strategy for achieving these, beyond the Tourism Recovery Strategy, which ended in December 2024.

Part One

Key developments since 2016

1.1 This part sets out developments on the island since we previously reported in 2016: the development of the airport, the airline service between St Helena and South Africa, and progress with the replacement bulk fuel installation.

St Helena Airport

1.2 The Foreign, Commonwealth & Development Office (FCDO) provided funding to the St Helena Government to design, build and operate an airport and associated infrastructure on St Helena, which was completed in 2016.² The budget for the project was £285.5 million but has so far cost £281.5 million. The airport was built to replace the Royal Mail Ship (RMS) St Helena service, whose like-for-like replacement was estimated to cost £64 million and have a lifetime of 20 years.

1.3 On 10 May 2016, Air Safety Support International issued a six-month operating certificate for the airport that was valid until November 2016, subject to certain conditions being addressed. Re-certifications occurred on 26 October 2016 and 9 May 2017. This was followed by an open-ended Air Traffic Certification issued on 25 October 2017 and an open-ended Aerodrome Certificate issued in October 2018. The airport is classified as a Category C airport, which indicates that the approach is affected by turbulence, the proximity of high ground or other obstacles (other examples include London City Airport and Madeira Airport). Pilots require specific training and experience to land and take off at Category C airports. In January 2019, FCDO reached a compensation settlement with Atkins following a dispute in relation to Atkins' role in the design of St Helena Airport.

1.4 In June 2018, Basil Read, who were contracted to operate the airport for the first 10 years after opening, entered business rescue (the South African equivalent of entering administration). St Helena Airport Ltd was set up to take over airport operations in response. St Helena Airport's operations require subsidising, currently through a ring-fenced component of FCDO's financial aid to the St Helena Government, at a cost of around £3 million each year. Up to November 2024, FCDO had provided £29.4 million to support the airport's operations. The location of the airport on the windy east coast has caused airport equipment to deteriorate faster than anticipated due to blown sand, salt and high humidity.

² The Department for International Development (DFID) funded the airport. DFID became part of the Foreign, Commonwealth & Development Office in 2020.

1.5 In response to the discovery of severe wind shear and turbulence on test flights in 2016. FCDO funded the £206,000 cost of installing LiDAR (light detection and ranging) at the airport to mitigate some of the impact of the wind conditions. LiDAR allows real-time wind shear and turbulence data to be collected before and during flights, improving safety and reducing the uncertainty over wind conditions which led to some flights being delayed unnecessarily. The equipment is nearing the end of its life and FCDO is committed to providing approximately £1.5 million to replace it in the 2025-26 financial year. St Helena Airport Ltd have developed an asset replacement plan that has been shared with FCDO, which has agreed a medium-term funding plan up until 2030.

1.6 FCDO does not consider that there are other known options to mitigate the limitations of the airport, but it is committed to supporting requests made by St Helena Airport Ltd and the St Helena Government should they identify other potential options. Potential improvements of extending the runway (1,550 metres, shorter than the majority of international airports) or removing a hill that exacerbates the wind shear have been assessed as being prohibitively expensive, and ineffective in addressing the climate-related issues. The St Helena Government have not made any further formal requests to FCDO for other technology or actions to mitigate factors at the airport, but has told us that it raises concerns informally through bilateral ministerial meetings.

Commercial flights to St Helena

1.7 The discovery of severe wind shear and turbulence on test flights in 2016 led Comair, who were contracted to operate commercial flights, to withdraw from the contract. This caused a delay, with the first commercial flights beginning around 17 months later. In July 2017, the St Helena Government, with FCDO's support, engaged the airline Airlink to operate regular commercial flights to and from the island. In October 2017, Airlink began operating a weekly service to St Helena from Johannesburg or Cape Town, rising to twice a week in peak summer season (December to March), and a monthly flight to Ascension Island. Flights take approximately six hours, and ticket prices are between £375 and £735 each way as of November 2024, depending on ticket type. The air service replaced the previous RMS St Helena service to the island from Cape Town, which was a five-day journey and sailed approximately every three weeks. In 2010, a ticket cost between £1,114 in a four-berth cabin and £3,566 for a single occupancy cabin. The RMS St Helena service was originally planned to end in July 2016 but was extended until February 2018 to ensure continued access to the island until commercial flights started.

1.8 The difficult weather conditions at the airport together with the island's remoteness and the relatively short runway length, reduces the types and capacity of aircraft that are commercially viable for airlines to fly to the island. Commercial flights to the airport use planes with a smaller capacity than originally envisaged in the airport business case, which can land and take off more safely than larger planes in the difficult wind conditions. Airlink, which remains the only airline providing a commercial service to the island, uses planes which can accommodate 98 passengers, slightly less than the 100 to 120 passengers anticipated in the business case, and less than the 160 to 170 passenger capacity planes that Comair had planned to fly.

1.9 The airport business case was based on "unsubsidised air access to St Helena", but FCDO had agreed to financially cover the risk that demand for seats on flights would be lower than expected. Under the terms of the St Helena Government's 2017 contract with Airlink, FCDO subsidises flights to the island through a ring-fenced component of its financial aid to the St Helena Government. Up to March 2024, Airlink was paid a fixed amount per flight, and fuel costs were also covered, with profits above the operating cost shared 50:50 between the St Helena Government and Airlink.

1.10 Airlink recently entered into a new rolling contract with the St Helena Government to continue to provide the air service until at least March 2028, with Airlink required to provide a minimum of two years' notice before withdrawal. Under the new contract terms any profits continue to be shared 50:50 between the St Helena Government and Airlink. Airlink's income from the air service does not currently exceed its costs and, between June 2023 and May 2024, the St Helena Government paid Airlink a subsidy of £807,000 from a ring-fenced component of the aid it receives from the UK government.

1.11 St Helena's remote location and mountainous topography increases the inherent risk of weather-related delays and cancellations, due to wind shear, turbulence and poor visibility from cloud cover at the airport. A remote location can also contribute to increased delays or cancellations due to a lack of potential alternative landing sites. 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 increased to around 25%.

The bulk fuel installation

1.12 A key component of the initial airport business case was a new bulk fuel installation, intended to replace the existing installation, which is nearing the end of its life. The replacement installation was intended to store aviation fuel, diesel for generators to supply the island's electricity, and fuel for private vehicles on the island. The South African company Basil Read, which built the airport, was contracted to build the replacement bulk fuel installation with a target completion date of June 2015. It substantially built the installation but entered administration in 2018 with the project unfinished. By May 2020, FCDO had paid £78 million on the construction of the replacement bulk fuel installation, including £70 million to Basil Read. This was more than twice the original budget of £31 million. The increase is a reflection of changes to the design in response to changing operational needs on the island and evolving standards for aviation fuel storage. Efforts to commission new contractors to complete the replacement installation were halted over the period the island was shut during the COVID-19 pandemic. The replacement installation has suffered some degradation since work stopped in 2018.

1.13 The existing bulk fuel installation, which is critical to the island's current energy needs, is around 35 years old and in need of replacement. FCDO and St Helena Government acknowledge the urgent need to replace the installation, which is beyond its recommended lifespan. In 2023, FCDO funded a condition assessment of the existing installation to ensure it was safe to operate, which made recommendations for its ongoing maintenance. A programme of maintenance is in place to support the existing installation to remain in service for around three more years, until the replacement bulk fuel installation becomes operational.

1.14 The St Helena Government and FCDO are developing plans to restart the work on the replacement bulk fuel installation, to a revised specification to reflect changes to the island's energy needs since the original business case. Fewer flights than originally anticipated means that the aviation fuel facility component of the installation, which is part built, is no longer considered the best option to store aviation fuel and is unlikely to be commissioned. Instead, containers are being used to store aviation fuel close to the airport. Furthermore, the St Helena Government has an ambition to meet much of its energy needs from renewable sources, principally wind and solar, so in the long term a fuel installation of the size of the bulk fuel installation as originally planned should not be needed.

1.15 FCDO funded a feasibility and scope of works study into options for the completion of the replacement bulk fuel installation. To reflect changes on the island since the original business case, such as less aviation fuel being required, the St Helena Government and FCDO are currently considering options to restart works to a revised specification, but have not yet let a contract or finalised costs. In advance of making any further decisions FCDO supported the St Helena Government's plans to strengthen its Project Management Office, increasing its overall capability and capacity to manage and deliver programmes. The replacement installation project is now led by a dedicated Programme Manager, working closely with FCDO counterparts.

Part Two

Progress realising the expected benefits of the airport

2.1 This part sets out what progress has been made in delivering the increases in tourism and economic growth projected in the airport business case, and progress realising other benefits.

Increasing income from tourism

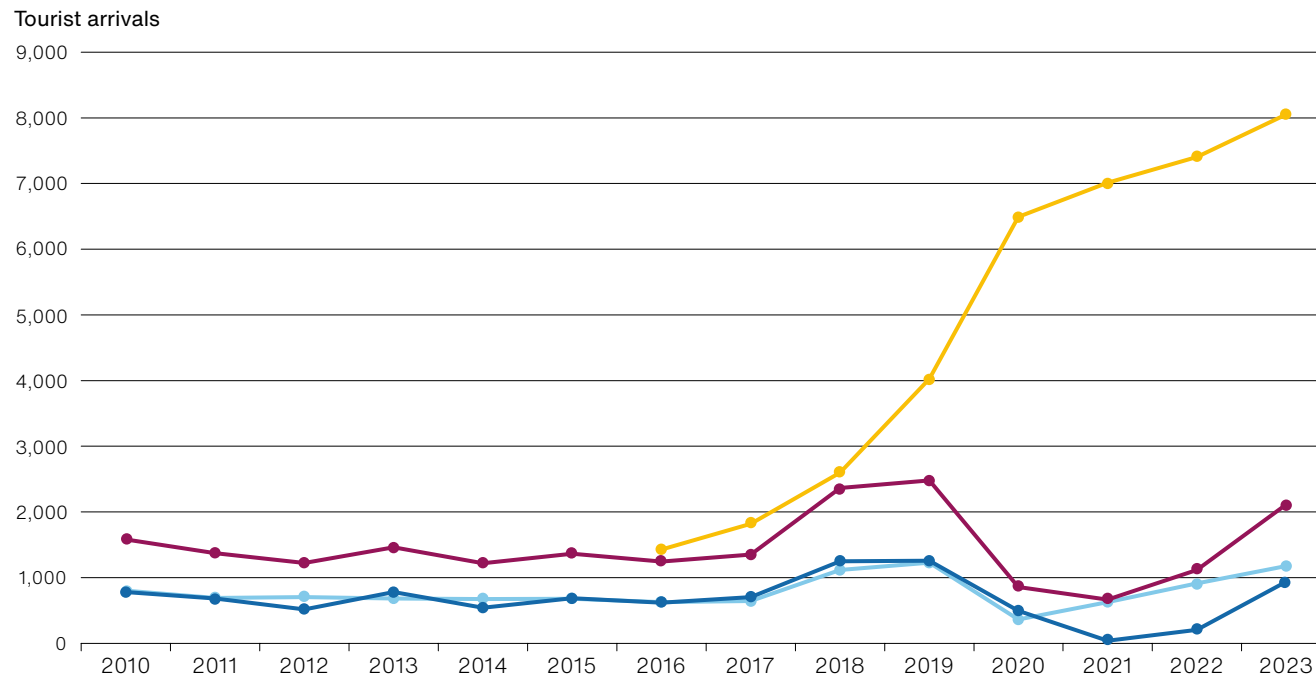
2.2 The airport business case identified increased tourism as the principal opportunity for economic development on St Helena. Our 2016 report found that forecasts of income from tourism were highly sensitive to assumptions around future tourist numbers and how much tourists would spend on the island. In 2019, 2,481 tourists arrived on the island and in line with expected numbers in the business case for that year (**Figure 3**). However, the COVID-19 pandemic resulted in the suspension of Airlink flights, and therefore tourism, between March 2020 and March 2022. During this period, the St Helena Government contracted Titan Airways to fly to the island from the UK on an ad hoc basis for essential reasons, with flights taking place approximately once per month. A fortnightly Airlink commercial service to South Africa resumed on 26 March 2022, which became weekly in October 2022.

2.3 In 2022 and 2023, tourist numbers rose to 1,117 and 2,112, respectively, but remained below the pre-pandemic peak. The number of foreign tourists has been slower to recover to pre-pandemic level than the number of those identifying as St Helenians who visit the island. The rate of increase in tourist numbers is currently well below that projected in the airport business case. In 2023, 2,112 tourists arrived, fewer than the pre-pandemic peak, and around a quarter of the approximately 8,000 for 2023 projected in the airport business case. FCDO told us it considers its tourist projections to have been “reset” by the COVID-19 pandemic, and now regards the tourist projections in the business case to be over-optimistic.

Figure 3

Annual number of tourists arriving at St Helena airport, 2010-11 to 2022-23

Tourist numbers have not yet returned to pre-pandemic levels



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
● Tourists	1,582	1,372	1,222	1,461	1,217	1,365	1,246	1,350	2,363	2,481	856	665	1,117	2,112
● Tourists of nationality St Helenian (non-resident)	801	691	704	680	674	677	628	645	1,116	1,226	362	626	910	1,176
● Tourists of nationality other than St Helenian (non-resident)	781	681	518	781	543	688	618	705	1,247	1,255	494	39	207	936
● Department for International Development business case projections							1,429	1,818	2,597	4,026	6,494	7,013	7,403	8,052

Notes

- 1 St Helena Government statistics classify visitors to the island into the following categories: 1) Leisure visitors with a nationality other than St Helenian, 2) Leisure visitors with nationality St Helenian (non-resident), 3) Business visitors, 4) Residents, and 5) Transit. In this report we refer to visitors in both categories one and two as 'tourists'. In practice it can be hard to cleanly differentiate between different categories.
- 2 The decline in numbers in 2020 coincides with the onset of the COVID-19 pandemic.
- 3 In June 2020, government announced the merger of the Foreign & Commonwealth Office and the Department for International Development to form the Foreign, Commonwealth & Development Office.

Source: National Audit Office analysis of St Helena Government Statistics Office data

2.4 The St Helena Government Statistics Office estimated that total spend by visitors in 2019 was £4.8 million to £6.6 million (this includes spend by: tourists; former St Helena residents visiting friends and family; business and St Helena Government travellers; and visiting yachts), which is equivalent to around 8% to 11% of the St Helena Government's total revenue in 2019-20. The equivalent estimate in 2023 was £4.6 million to £6.4 million. Tourism to the island is highly seasonal, tending to peak in its summer months (December to February). In 2023, the highest number of monthly non-St Helenian visitors was 133 in February, compared with a low of 20 in October. The average occupancy of flights from Johannesburg between June 2023 and May 2024 was 53% and varied from 48% to 63% during this period. More than half (57%) of all tourists (rather than visitors – see note to Figure 3) have St Helenian nationality, who are estimated by the St Helena Government Statistics Office to spend around 60% of what foreign tourists spend.

UK government financial support

2.5 In the business case for the airport, the Foreign, Commonwealth & Development Office (FCDO) set out an expectation that the airport would enable a significant increase in tourism to St Helena and associated income, which would, in the long term, lead to St Helena becoming financially self-sufficient. It expected that, based on the projected benefits of the airport, the annual aid paid to the St Helena Government by FCDO would come to an end in 2043. In our July 2016 report *Realising the benefits of the St Helena Airport project*, we concluded that the amount of financial aid that FCDO will need to give to St Helena depended on whether the estimates of tourist numbers and tourist spend in the business case were exceeded or missed.³

2.6 Following the 2016 Parliamentary Accounts Committee report, FCDO accepted a recommendation that it would re-calculate its projected tourism figures to provide an updated assessment of progress towards economic self-sufficiency and the consequent reduction in financial aid to St Helena. FCDO has since acknowledged that self-sufficiency is unlikely to be an achievable aim within the timeframe set out in the business case, and it has not published revised forecasts of tourist numbers beyond 2024 (Figure 3). FCDO still considers that tourist numbers will grow over time and is working with the St Helena Government to reassess tourist projections for 2025 and beyond.

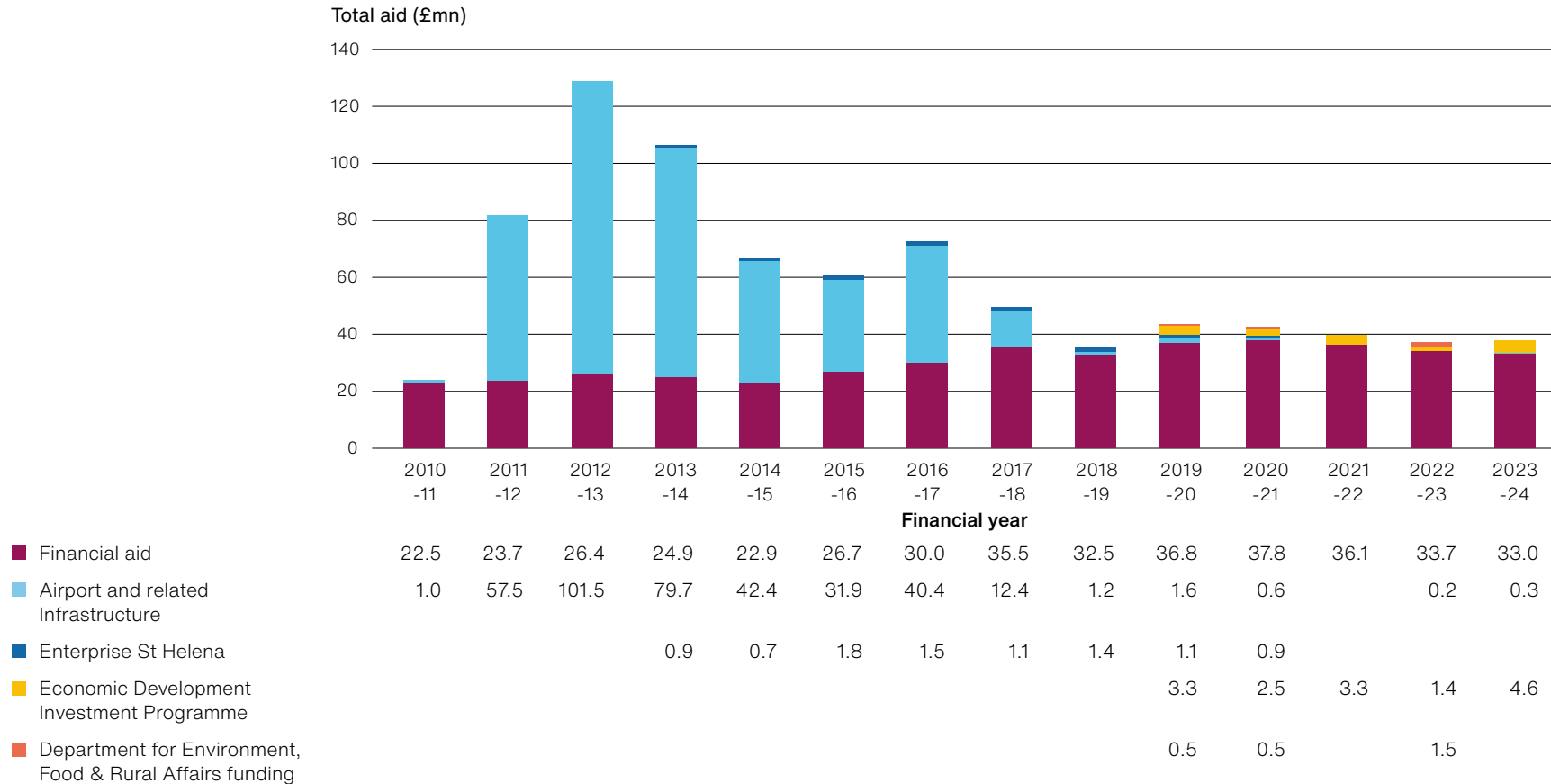
2.7 Between 2016-17 and 2023-24, FCDO has supported the St Helena Government with a total of £240 million in financial aid. The amount of annual financial aid provided by FCDO has increased from £16.2 million in 2010-11 to £33.0 million in 2023-24, an increase of 104% in cash terms, or 46% in real terms (**Figure 4**). In 2022-23, financial aid from FCDO made up around 60% of the St Helena Government's income.

³ Comptroller and Auditor General, *Realising the benefits of the St Helena Airport project*, Session 2016-17, HC 19, National Audit Office, July 2016.

Figure 4

Total support provided by the UK government to the St Helena Government, 2010-11 to 2023-24 in real terms, 2023-24 prices

Between 2010-11 and 2023-24, FCDO's annual financial aid to the St Helena Government increased by £8.8 million (39%) in real terms



Notes

- Prices are real terms prices, in 2023-24 terms, calculated using latest available (UK) GDP deflator as at drafting. The St Helena Government also produces its own inflation index statistics, including local retail price index statistics. These figures do not take into account measures of inflation produced by the St Helena Government.
- Figures under £50,000 have not been reported.
- Department for Business, Energy & Industrial Strategy (BEIS) funding initiatives as reported on the UK government's Dev Tracker website had a total budget of £2.1 million (2023-24 prices) between 2010-11 and 2023-24.
- On 7 February 2023, the government announced that BEIS would close, and its responsibilities would transfer to new departments, including the Department for Energy Security & Net Zero, the Department for Business & Trade and the Department for Science, Innovation and Technology. Funding since 7 February 2023 from these departments are legacy initiatives from BEIS programmes.

Source: National Audit Office analysis of Foreign, Commonwealth & Development Office data

2.8 Financial aid is discussed between FCDO and the St Helena Government annually. It is intended to make up the difference between the budget the St Helena Government assesses it needs to deliver public services and the income generated on the island, principally through taxes and customs duties. The St Helena Government puts forward budget proposals to FCDO based on three scenarios: a 3% increase on the current year's budget, a 3% decrease on the current year's budget, and an unchanged budget (all in cash terms). The St Helena Government is now also submitting a budget scenario that it considers would meet its own reasonable assistance needs. After the budget and the amount of financial aid are agreed, the St Helena Government has discretion over how to spend most of the aid. In 2023-24, 16% of the financial aid was ring-fenced for specific purposes, such as policing, the airport operation and tourism (**Figure 5**).

2.9 The St Helena Government's expenditure is spent in various areas, with the three largest components of expenditure in 2022-23 being: health and social care; trading activities; and, treasury, infrastructure and sustainable development (**Figure 6** on page 24). The increase in aid has, in part, been driven by an ageing population, alongside funding to help St Helena build its tourism industry and develop economically. The ageing population has led to increasing health and social care expenditure, which rose from £5.2 million in 2012-13 to £16.4 million in 2022-23 (an increase of 217% in cash terms or 150% in real terms, 2023-24 prices) (**Figure 7** on page 25).

Anticipated wider social and economic benefits of the airport

2.10 While the airport has improved access to healthcare for residents, improving quality of life for many and saving some residents' lives, many of the wider non-monetised benefits identified in the socio-economic impact assessment of the airport have yet to materialise, including the following.

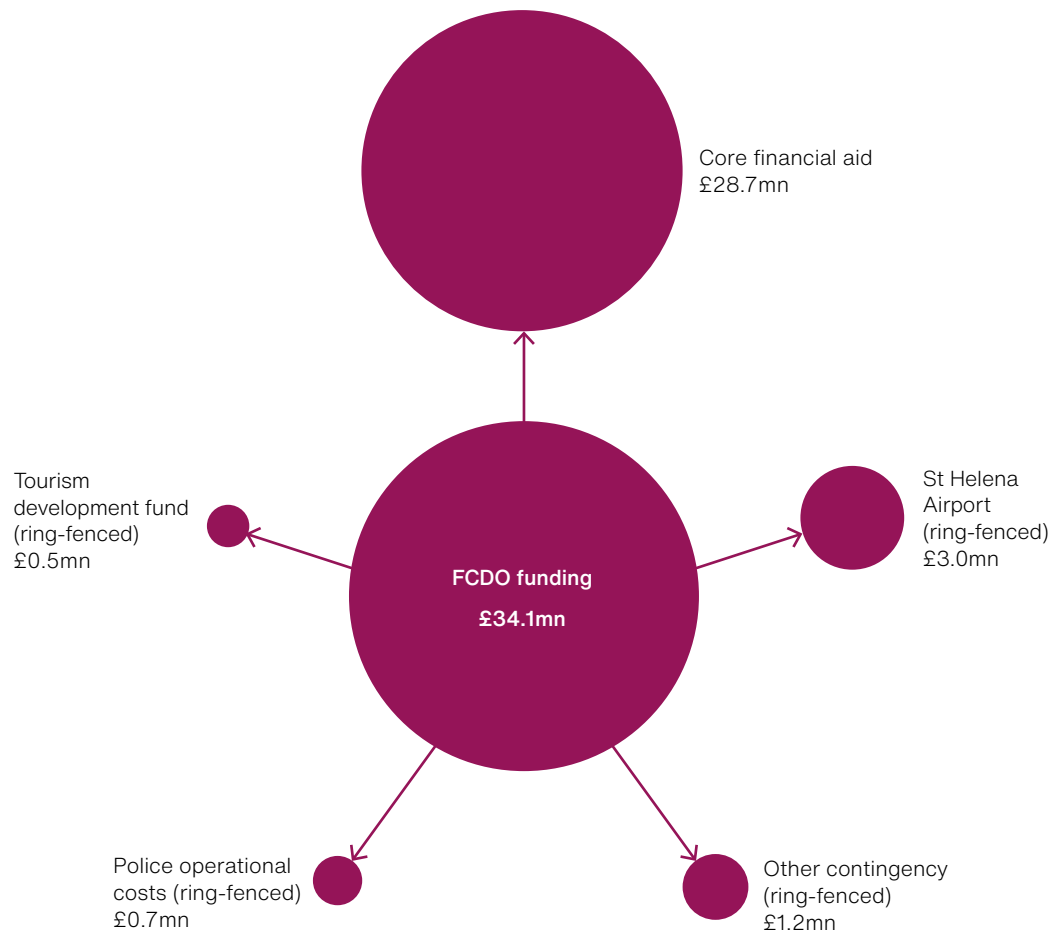
- Improved employment prospects and higher income for the citizens of St Helena.
- More private sector investment and greater public revenue to finance public services such as education and health.
- A reversal in the decline of the population.

2.11 The resident population experienced a brief uplift during the building of the airport but has subsequently begun to fall by around 10%, from 4,504 in January 2016 to 4,023 in September 2024, close to the level when plans to build the airport were agreed (it was 3,961 in January 2010). In the year to October 2024 there were 13 births and 47 deaths on the island. The average age of the population is increasing. In August 2024, 29% of the population were older than 65, up from 21% in January 2016. The working-age population is reducing, leading to a declining tax base and shrinking labour force, including potential tourism service workers. Tax and customs duties have almost doubled over the last decade (nominally), in part due to the growth of the tourism industry (**Figure 7**).

Figure 5

Breakdown of 2024-25 Foreign, Commonwealth & Development Office (FCDO) financial aid to the St Helena Government

Some £28.7 million (84%) of FCDO's aid is discretionary and the St Helena Government determines what it is spent on, with the remaining £5.4 million (16%) ring-fenced for specific purposes



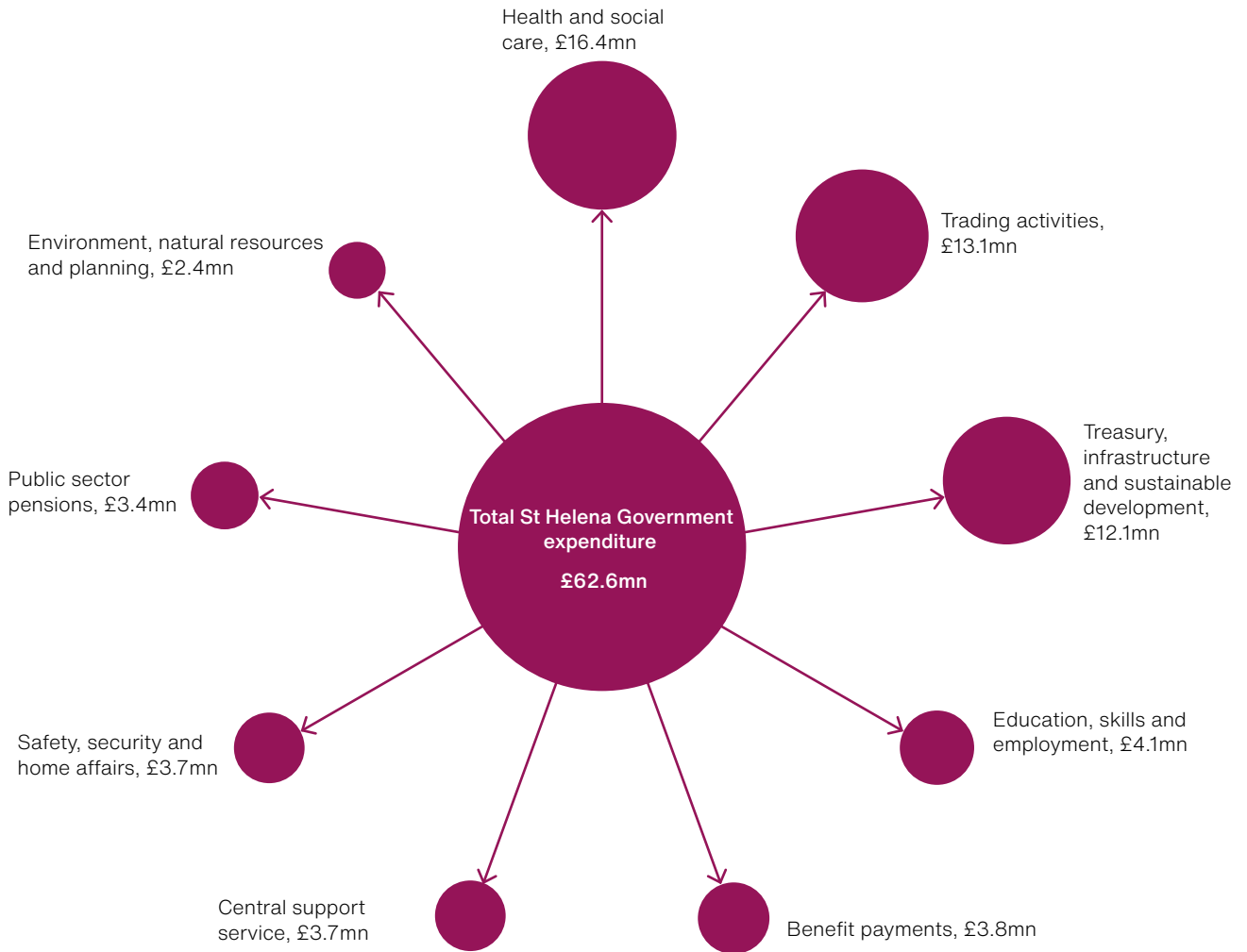
Notes

- 1 Numbers may not sum due to rounding.
- 2 'Core financial aid' is discretionary spend for the St Helena Government to spend on its public services.
- 3 'St Helena Airport' includes an agreed subsidy for the ongoing operational costs of St Helena Airport.
- 4 'Other contingency' includes funding to subsidise the commercial flight provider Airlink, medical negligence claims costs, additional medical evacuation costs and other unforeseen expenditure.
- 5 'Tourism development fund' is a ring-fenced fund for ongoing tourism programmes, overseen by the FCDO on an annual basis.

Source: National Audit Office analysis of the Foreign, Commonwealth & Development Office data

Figure 6
Breakdown of the St Helena Government's expenditure, 2022-23

Health and social care spending makes up around 26% of St Helena Government spending



Notes

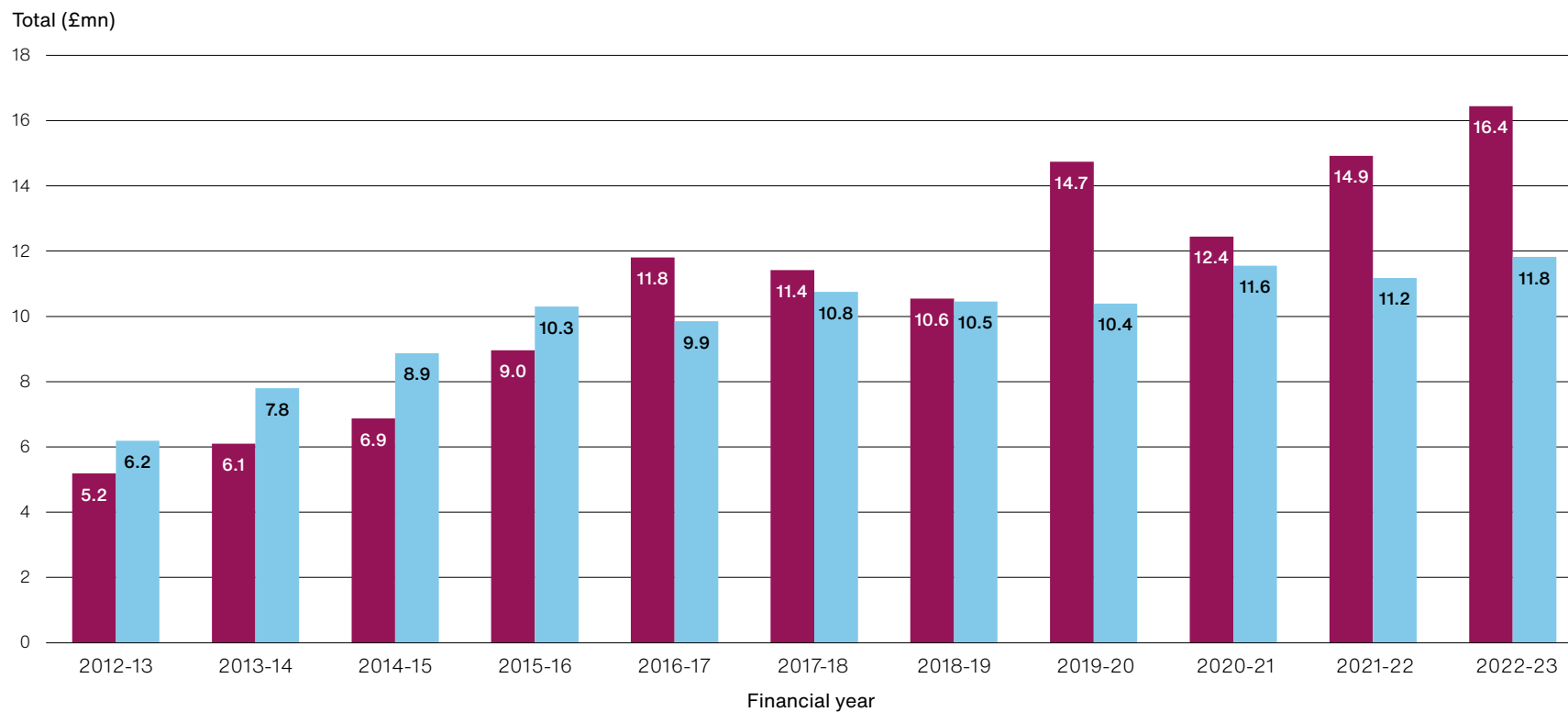
- 1 2022-23 is the most recent year for which the St Helena Government's annual report and accounts are available.
- 2 In 2022-23, St Helena Government received £36.9 million in FCDO funding, and generated £24.7 million in other income.

Source: National Audit Office analysis of St Helena Government annual report and accounts, 2022-23

Figure 7

St Helena Government's health and social care expenditure, and tax revenues, 2012-13 to 2022-23

Rising health and social care expenditure has outstripped rising tax receipts



- Health and social care expenditure
- Tax and customs revenue

Note

1 Figures are unadjusted for inflation.

Source: National Audit Office analysis of St Helena Government accounts

2.12 The real-terms median wage has declined, from £10,270 in 2013-14 to £9,970 in 2022-23 (in 2022-23 prices). Some residents have emigrated to places with higher average wages, such as the Falklands or Ascension Island, or the UK. Although the airport was supposed to support increased inward investment, FCDO regards it too early into St Helena's recovery after the COVID-19 pandemic to determine whether the airport has increased or will increase inward investment.

2.13 Scheduled commercial flights regularly take residents to South Africa for medical treatment that cannot be provided on the island. Additionally, up to 18 October 2024 there had been 87 medivac (medical evacuation) flights to South Africa, for people needing urgent or serious medical attention and for whom scheduled flights are not appropriate, benefitting around 100 people since 2016. Access to healthcare in South Africa has generated some savings for the St Helena Government through reducing the amount of medical care needed on the island. However, the St Helena Government pays for tickets on scheduled flights and the full cost of medivac flights, the latter currently costing about £50,000 per flight. It also pays for healthcare treatment in South Africa at a cost of around £2 million per year.

2.14 During the COVID-19 pandemic the airport enabled vaccines to be delivered to the island quickly and safely. Front-line health workers had the opportunity to be vaccinated before COVID-19 reached the island around March 2021. Vaccination was extended to the wider population in the following months. To date, no COVID-19-related deaths have been recorded on the island.

2.15 The increased accessibility also brings improvements to family life, by allowing the St Helena diaspora to visit the island in higher numbers or more frequently. In 2023, 2,112 St Helenians arrived on the island, compared with 1,452 in 2010. Airlink also operates a monthly service between St Helena and Ascension Island, improving accessibility for the many St Helenians who work there. The improved accessibility has made the deployment of specialists to fill skills gaps on the island, such as medical professionals and education or technical experts, much easier. Specialists and business travellers can now spend no more time than they require on the island, as little as a few days, rather than a month or more before scheduled flights began.

Part Three

Maximising the benefits of the airport

3.1 This part of the report sets out the Foreign, Commonwealth & Development Office's (FCDO's) and the St Helena Government's understanding of what is needed, and their ongoing work, to maximise the benefits of St Helena Airport.

Increasing tourist numbers

3.2 The original business case highlighted that there was uncertainty relating to St Helena as an untested tourist destination and whether the level of tourist arrivals could be achieved. FCDO acknowledges that the increase envisaged in the business case for the airport to 29,000 tourists per year after 25 years of the airport being open was overly optimistic and is unlikely to be achieved. FCDO still considers that the tourist numbers will grow over time and that the airport provides strong overall benefits to St Helena. In its March 2024 final annual review of the St Helena Airport project, FCDO confirmed that it still regards tourism, enabled by the airport, to be the main opportunity for increasing the St Helena Government's revenue and reducing aid from the UK government. In December 2023, FCDO published a revised business case for UK financial aid to St Helena that set out its objective to increase overall passenger numbers to pre-pandemic levels by the end of December 2024. FCDO is working with the St Helena Government to reassess tourist projections for 2025.

Enterprise St Helena

3.3 FCDO provided £7.6 million between 2012-13 and 2020-21 to fund Enterprise St Helena, an arm's-length body of the St Helena Government which was established to deliver the St Helena Government Sustainable Economic Development Plan. Its aim was to help St Helena become financially independent and to improve standards of living by stimulating private sector development, including tourism activities. For example, funding went towards the completion of the Mantis Hotel, which is currently providing just under half of all serviced rooms on the island. Enterprise St Helena funding supported around 85 new business startups, and many smaller grants were provided in areas such as training and marketing. A 2017 assessment by FCDO concluded that 124 jobs had been created in the tourism sector, with £1.2 million of new private investment. Many of the investment and tourism functions of Enterprise St Helena were brought into the remit of the St Helena Government under a new Economic Development portfolio, as part of a wider reorganisation of the St Helena Government. However, some broader business support and financing functions ended.

Tourism Recovery Strategy

3.4 After the Enterprise St Helena programme ended in 2021, during 2023-24 and 2024-25, FCDO provided £1 million (£500,000 per year) of ring-fenced financial aid to the St Helena Government to further develop tourism on the island. The St Helena Government set up the Tourist Development Programme to implement its Tourism Recovery Strategy, which aims for tourist numbers reaching pre-pandemic levels by the end of 2024. The strategy expects to spend around £280,000 on improving tourism facilities, £460,000 on marketing, £170,000 on building capacity and training, and £90,000 on attracting investment.

3.5 To inform the strategy, the St Helena Government commissioned research to understand areas of potential growth. It identified tour operators as an opportunity, as they can support tourists to find accommodation, activities and other tourism services. An August 2024 assessment of forecast air passenger numbers commissioned by the St Helena Government highlighted the challenges around encouraging tour operators to develop packages because of the low numbers of tourists involved. Some tourist-related businesses on the island told us they are wary of developing their offers without greater confidence over future growth in the number of tourists. We also heard how the frequency of delayed or cancelled flights may discourage some potential tourists from visiting the island.

3.6 The St Helena Government identified that shortages of hospitality workers and serviced accommodation are constraining tourism growth. In our 2016 report, accommodation was identified as a potential constraint to growth. Since then, the Mantis Hotel has been built, but it is currently operating at a loss and is subsidised by the St Helena Government. This is due in part to the seasonal nature of tourism on the island, with low numbers in the winter months. Other tourist accommodation on the island remains limited, with only three hotels in Jamestown and none elsewhere on the island. The number of serviced rooms on the island has decreased since the COVID-19 pandemic, from 83 in 2019 to 71 in March 2024. On occasion, all serviced rooms can be booked, reducing accommodation options for late-booking tourists.

Other support to the St Helena Government

3.7 In addition to the recurrent aid budget, FCDO is also providing the St Helena Government with capital funding of £30 million over the period 2018-19 to 2027-28 to fund economic development projects. The Economic Development Investment Programm is intended to provide investment for projects which follow on from the construction of the airport, for example, relocating industry from Jamestown waterfront to make it available for development as a tourism area.

3.8 FCDO also supports the St Helena Government with direct funding, strategic partnering on areas of joint interest, and by providing technical expertise where required. For example, FCDO explored opportunities to establish subsea internet cables to improve internet access on the island, and commissioned technical and commercial assessments to support improved connectivity. This culminated in the St Helena Government signing a contract in 2019 to connect to the Equiano undersea fibre optic internet cable, for which it was able to secure European Development funding, bringing high-speed broadband connectivity to the island. The St Helena Government considers that the absence of any replacement funding, as a result of the UK's exit from the European Union, may impact its ability to upgrade the wider infrastructure needed to roll-out high-speed broadband across the island.

3.9 FCDO has provided the majority of funding for environmental initiatives, such as the restoration of the St Helena Cloud Forest, a collaborative project managed by the Royal Society for the Protection of Birds.⁴ The Cloud Forest holds around a sixth of the UK's worldwide biodiversity, and approximately 250 species found nowhere else on Earth. Native plants capture water from the mist and provide 60% of the island's fresh water. FCDO has so far committed £3.7 million for the restoration, between 2021-22 and 2024-25, which has been used to clear invasive species and set up a propagation laboratory to support the reintroduction of native habitat. Endemic species, such as the spiky yellow woodlouse, have already been identified in restored areas of the forest, and FCDO investment is supporting the island's environmental and economic resilience.

3.10 In 2017, FCDO launched its Blue Belt programme, which aims to assist the UK overseas territories with the protection and sustainable management of their marine environments. Funding provides ongoing support for the management, enforcement and scientific monitoring of Marine Protected Areas, supporting capacity building and ocean literacy required to understand and protect biodiversity. This is important for St Helena in particular, as diving is one of the most important tourism industries, though as with many industries on the island, it is reliant on a small number of individuals to continue its operation.

3.11 Other organisations across the UK government also provide support to St Helena, and FCDO is collaborating with these departments to support common goals. For example, the Darwin Plus project owned by the Department of Environment, Food & Rural Affairs (Defra) is a UK government grants scheme that helps to deliver long-term strategic outcomes for the unique biodiversity and the natural environment, to improve resilience to climate change within the UK overseas territories. Defra has provided more than £2 million between 2019-20 and 2022-23, while the Department for Business, Energy & Industrial Strategy provided £1.8 million between the years 2016-17 and 2023-24 through different initiatives.

⁴ The restoration of the cloud forest is managed by the Royal Society for the Protection of Birds, working with St Helena Government, St Helena National Trust, Connect St Helena Ltd, Met Office, Arctium, UK Centre for the Ecology and Hydrology, Royal Botanic Gardens Kew and the University of the British Columbia.

Appendix One

Our investigative approach

Scope

- 1** We conducted this investigation after we received correspondence in 2024 from Parliament raising concerns about St Helena Airport and associated infrastructure. This report is an update of our 2016 report *Realising the benefits of the St Helena Airport project* and sets out progress against the aims set out in the airport business case since our last report.
- 2** Our focus is on how the Foreign, Commonwealth & Development Office (FCDO) is supporting the St Helena Government to develop tourism on the island and increase St Helena's economic self-sufficiency. We are not auditing the St Helena Government.
- 3** Where relevant, we have commented on other initiatives on St Helena that have relevance to FCDO's objectives, but our report is factual, and we have not sought to conclude on whether the St Helena Airport project represents value for money.
- 4** We conducted our fieldwork between October and December 2024.

Methods

- 5** Our findings are based on a range of evidence, including a site visit to St Helena, interviews, document review and data analysis.

Site visit

- 6** We undertook a short, yet intensive, visit to St Helena in December 2024. During our time there, we visited the airport; the capital, Jamestown; the Mantis Hotel; Rupert's Wharf; and the bulk fuel installation site; as well as various tourist attractions and amenities. We also interviewed several stakeholders on the island.

7 We were able to improve our understanding of the following.

- Life on St Helena.
- The perception of FCDO's role and St Helena's relationship with the United Kingdom.
- St Helena's tourism offer.
- The accommodation available on the island.
- The challenges associated with preparing the island for tourism.
- Progress on the bulk fuel installation and engineering challenges presented by the project.
- Existing arrangements for fuel transfer.

Interviews

8 Alongside weekly meetings with key individuals in FCDO, we interviewed a range of people from St Helena, including the Chief Secretary of the Public Service, the Chief Auditor, the Chief Minister, the Director of Economic Development, the Head of Tourism and officials from St Helena Statistics Office. We interviewed the Governor, health workers, the Director of St Helena National Trust and senior officials in the Public Service. We also interviewed individuals involved in the planning of the St Helena Airport project, the Executive Director of the airport and individuals who provided consultancy services to the St Helena Government.

Document review

9 We reviewed various documents from FCDO, the St Helena Government and Audit St Helena. Documents we reviewed included the following.

- The business case and annual review of the St Helena Airport project.
- Memoranda of Understanding between FCDO and St Helena Government.
- Documents relating to FCDO's financial aid to St Helena.
- Documents relating to the FCDO programmes, Economic Development Investment Programme, Enterprise St Helena.
- Reports by Audit St Helena.
- The St Helena Government's Financial Statements and budgets.
- The St Helena Government's economic strategy documents.
- St Helena Government's tourism strategy documents.

- Technical studies and reports modelling wind shear and turbulence from the Met Office and CH2M.
- Air consultancy reports and studies by Aquila Aviation.
- Engineering technical reports and reviews on the airport and the bulk fuel installations from Arup, Chemie-tech and Trident Engineering.
- Treasury Minutes and Treasury Minute Progress Reports.

Data analysis

10 We used documents provided by FCDO and the St Helena Government to conduct various analyses, making use of demographic and economic data published by the St Helena Government Statistics Office, including monthly numbers of visitors to the island and the purposes of their visits, monthly population demographic data, estimates of total visitor expenditure on the island.

11 We performed financial analysis using data published in FCDO's database of aid, Devtracker, to understand aid to the St Helena Government from various government departments, including FCDO. We made calculations using UK government GDP deflators December 2024, published in January 2025 (the latest available at time of publication) to make real terms comparisons between years. These measures reflect the changing value of money over different years from the perspective of the UK and HM Treasury, rather than the St Helena Government's funds purchasing power, although the St Helena Government Statistics Office publishes its own Retail Price Index measures. We also performed financial analysis using the St Helena Government's annual financial statements to understand trends in revenue and expenditure. We liaised with the St Helena Government Statistics Office and St Helena's Financial Secretary to assure our interpretation of data. Finally, we examined flight occupancy data for all commercial flights to and from St Helena since the airport opened. We have not audited the accuracy or completeness of the data used to produce the analysis.

Limitations

12 The business case for the St Helena Airport project was justified on the basis that the island's tourism industry would be stimulated by the investment, and generate revenue for the island. As a result, measurement of tourist trends is important to determine progress made in realising the benefits of the airport. Since the airport has been built, people arriving on St Helena fill in an immigration form which categorises their visit as leisure, business, residents or transit. Leisure visitors are further categorised as St Helenian nationals and their dependants, or non-St Helenian visitors. In our report, we have adopted the term 'tourist' rather than 'leisure visitors' for continuity with the business case and other documents. However, St Helenian 'tourists' may be on the island to visit friends and family and are not 'tourists' in the traditionally understood sense. Tourists of St Helenian nationality are associated with a lower average spend than tourists of other nationalities, and therefore we have analysed total tourist numbers and disaggregated according to nationality in our analysis. In this way, the trends may be separately understood. In practice, these categories are not clearly delineated, and the data presented in this report must be understood as our best estimates at tourism trends.

13 As of November 2024, St Helena's Immigration Service is no longer requiring newly-arriving, non-resident, St Helena nationals to categorise their visits. Future data on leisure visitors will be categorised differently to that presented in this report.

Appendix Two

Progress against Public Accounts Committee recommendations

1 In December 2016, the Public Accounts Committee (PAC) made a series of recommendations to Foreign, Commonwealth & Development Office (FCDO) about the project, for which the FCDO subsequently published a series of progress reports (**Figure 8** overleaf).

Figure 8

The Foreign, Commonwealth & Development Office's (FCDO's) progress against recommendations from the Public Accounts Committee (PAC) report *St Helena Airport*, December 2016

FCDO reported that, by November 2020, it had implemented all the recommendations

Recommendation	Date implemented	Response from the FCDO ²
The Department should, as soon as it is completed, send the Committee a copy of its review identifying who was accountable for the failure to identify this key issue. ³	March 2019	FCDO reached a settlement with a consultant. It wrote to PAC in commercial confidence providing further details.
The Department should develop an independent challenge function and build it into its procedures for considering the feasibility of technically demanding projects outside its core business.	March 2017	FCDO established a quality assurance panel for the airport project. FCDO said that, for other technically complex projects, it would consider using an approach similar to that used by the British military.
The Department should write to us by April 2017, and more regularly to the stakeholders of the airport, with an update on its strategy and forecast costs for bringing the airport into commercial use.	July 2017	FCDO provided an update to PAC. At the time, there had been 50 flights since the airport opened and commercial air services were due to begin in October 2017.
The Department should re-calculate its projected tourism figures to provide an updated assessment of progress towards economic self-sufficiency and the consequent reduction in the Department's subsidy.	November 2020	The St Helena Government commissioned a reassessment of the tourism strategy based on actual passenger numbers. The assessment included recommendations to improve marketing and tourism options. FCDO noted that South Africa's response to the COVID-19 pandemic had led to the air service between South Africa and St Helena being suspended and that there was uncertainty over future tourism trends after the pandemic.
The Department should engage closely with the St Helena Government to secure real progress against the joint Memorandum of Understanding (capitalise) to remove barriers to inward investment. ⁴	July 2018	The St Helena Government had made progress against the Memorandum of Understanding (capitalise) in a number of areas. These included reforming its tax regime including an investment tax credit for new businesses, and updating immigration and investment procedures.

Notes

- 1 Committee of Public Accounts, *St Helena Airport*, Thirtieth Report of Session 2016-17, HC 767, December 2016.
- 2 The FCDO's responses were in a Treasury Minute and subsequent Treasury Minute Progress Reports between March 2017 and November 2020.
- 3 FCDO had not identified the impact of wind conditions on the types of aircraft that can land and take off safely before commissioning and building the airport.
- 4 FCDO and the St Helena Government agreed a joint Memorandum of Understanding which sets out the St Helena Government's commitment to opening its economy to inward investment and increased tourism.

Source: National Audit Office analysis of the Public Accounts Committee report, Treasury Minute and Treasury Minute Progress Reports

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