



FALKLAND ISLANDS GOVERNMENT

PRESS RELEASE

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Falkland Islands Government publishes Budget for 2020/2021

Stability and continuity are at the heart of the Falkland Islands Government Budget for 2020/21.

The Budget recognises these two themes are essential in the time of uncertainty stemming from the global COVID-19 pandemic.

The operating budget for 2020/21 is £81.7 million and the capital transfer budget £29.1 million, with the main areas of investment for the coming 12 months including:

- £25.3m for health and wellbeing
- £8.9m for education and training
- £32.1m on radio, transportation, infrastructure and communications
- £5.7m on protecting the environment

The overall commitment to capital projects in 2020/21 continues the major initiatives proposed in the last Budget for the development of new housing, replacement port facilities, the Tussac House extra care facility and further surfacing works to the MPA Road.

It maintains the current level of expenditure on the delivery of front-line services and key social programmes that provide stability for the wider community.

The Budget also continues the Government's prudent approach to expenditure, maintaining reserves and continuing the existing capital programme. Whilst this cautious approach is being followed, the Budget increases welfare payments and social allowances and has no new increases in fees and charges for the 2020/21 financial year.

The Government recognises it is too early to know the full impact of COVID-19 on each sector of the economy and is working with the private sector to better gauge the short-term and longer-term effects. Once more clarity is available a mini-budget exercise may be required later in 2020, which would include a review of capital spending.

Provision has been made to meet the ongoing costs of the programmes the Government has already announced in response to COVID-19.

MLA Roger Spink, Government Service, Legal and Regulatory portfolio holder, said: “The Assembly in our last Budget emphasised its foundation as being the wellbeing of people across the Falkland Islands. That is why we have protected local services that are important to Falkland Islanders.

“We did not wish to see this commitment undermined in the Budget for 2020/21, and have thus continued to invest in our people, with upward adjustments in wages, welfare payments, and no rises in fees and charges. We continue to invest through our capital programme and support businesses – two key ingredients to support sustainable growth in our economy.

“Our Government has recognised already the first impact of COVID-19, and provided support for workers and businesses, and the wool sector. This flexibility has been possible in part because of the policy of past Budgets to maintain an excess of income over expenditure, and the building of substantial reserves.

“We have not moved away from our careful approach and have signalled the impact of the pandemic will continue to be closely monitored. This Budget does not seek to make substantial additional commitments and demands for additional growth in operating costs. It leaves headroom in the operating budget to respond to future challenges.

“Our long-term social vision of giving our children and young people the best possible start is unchanged and this Budget supports this through family support, school investment, and our new Falkland College. We have seen the value of our investments in health in recent months with the excellent response of our hospital and staff to the pandemic. We continue to invest in new capabilities for KEMH so we can provide more diagnostic and medical procedures in the Falkland Islands.”

Notes to Editors:

- Infographics depicting the key elements of the 2020/21 Budget can be found online by visiting: <https://www.falklands.gov.fk/budget-overview-2020/>
- The Islands Plan 2018-2022 is available to download by visiting: <http://www.fig.gov.fk/assembly/index.php/public-papers/literature>

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