



St Helena Government

BUDGET EXECUTION REPORT

FOR PERIOD 2 (MAY 2020)

FINANCIAL YEAR ENDING 31 MARCH 2021

OVERVIEW OF BUDGET AND PERFORMANCE

Current stage of the budget monitoring process

This Budget Execution Report (BER) covers the period to 31 May 2020, period 2 in the financial year 2020/21.

As at 1 April 2020, the budget for 2020 /21 had not been approved and as a result, a Rollover budget was approved for the first 3 months of the financial year. The appropriation for the 2020/21 budget will be considered at the formal Legislative Council session on 29 June 2020.

As a control mechanism budgets are constantly monitored for potential overspends of expenditure and under collections in revenues throughout the year by Directorates and Corporate Finance. Performance against revenue and expenditure budgets are scrutinised on a monthly basis.

Summary of Performance

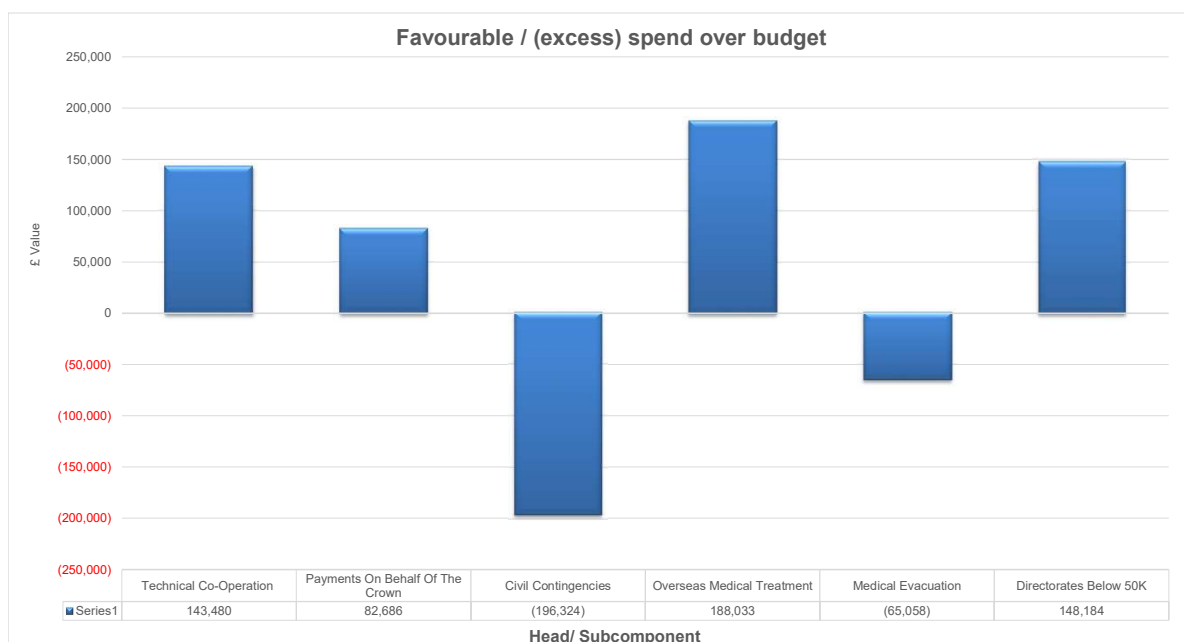
	Period to 31 May 20			
	Actual	Budget	Variance	
	£'000	£'000	£'000	%
Total Revenue	6,947	6,836	111	2%
Total Expenditure:	(7,408)	(7,709)	(301)	4%
Recurrent Expenditure	(6,853)	(7,318)	(466)	6%
Capital Expenditure	(556)	(391)	165	-42%
Total (Deficit)	(461)	(874)	(412)	47%

Total Revenue

Actual revenue had a favourable variance of 2% (£111k) for the period to 31 May 2020 compared to the budget to the same date.

Total Expenditure

A favourable variance of 4% (£301k) was achieved for the period to 31 May 2020. The diagram below shows the heads of appropriation with variances above £50k. Detailed review of the variances can be found on pages 5 - 8. Total expenditure includes Recurrent and Capital expenditure.



Performance Against Budget

To date a deficit of £461k has been recorded being 47% less than the budgeted deficit of £874k. The reduced deficit has been mainly due to significant underspends on the Overseas Medical Treatment budget, Technical Co-operation and Payments on behalf of the Crown.

Performance Measures

Local revenue as a % of Total revenue

	Approved Budget	Actual to Period 2	Budget to Period 2
Total Local revenue	3,518,000	1,944,253	1,830,621
Total revenue	11,026,000	6,944,253	6,835,621
	32%	28%	27%

Actual performance is favourable reflecting 1% more than budget. The favourable performance is mainly due to more than projected revenues received by ENRP, I&T and Corporate Finance.

The Budget Execution Report on page 3 shows the performance against revenue and expenditure budgets by Head of Appropriation and significant sub component budgets. The performance is further illustrated by the Variance Summary Report on pages 5 and 6. Detailed explanations for the budget variances are included on the Variance Explanation Report on pages 7 - 8.



St Helena Government

BUDGET EXECUTION REPORT PERIOD 2 (MAY 2020)

HEAD/ SUBCOMPONENT

REVENUE

Corporate Support, Policy & Planning
Judicial Services
Police
Corporate Finance
Payments On Behalf Of The Crown
Civil Contingencies
Airport Operations
Education
Health
Environment, Natural Resources & Planning
Infrastructure & Transport
Children & Adults Social Care
Sub-Total

YEAR TO DATE				ROLL OVER PERIOD (APR - JUN)
Actual	Approved Budget	(1) Variance A - AB	A / AB	Approved Budget
£	£	£	%	£
27,809	28,000	(191)	99%	42,000
2,514	4,000	(1,486)	63%	6,000
44,525	44,211	314	101%	65,000
1,507,187	1,481,734	25,453	102%	2,954,000
4,473,351	4,456,000	17,351	100%	6,720,000
2,800	0	2,800	0%	0
577,748	583,000	(5,252)	99%	875,000
32,806	34,666	(1,860)	95%	52,000
103,104	97,800	5,304	105%	147,000
35,234	5,951	29,283	592%	13,000
98,918	59,476	39,442	166%	90,000
41,057	40,783	274	101%	62,000
6,947,053	6,835,621	111,432	102%	11,026,000

RECURRENT EXPENDITURE

Corporate Support, Policy & Planning
Judicial Services
Human Resources Services
Technical Co-operation
Police
Corporate Finance
Payments On Behalf Of The Crown
Civil Contingencies
Economic Development
Pensions
Basic Island Pension
Income Related Benefits
Access
Airport Operations
Education
Health
Overseas Medical Treatment
Medical Evacuation
Environment, Natural Resources & Planning
Infrastructure & Transport
Children & Adults Social Care
Sub-Total

189,433	219,864	30,431	86%	335,000
14,083	29,733	15,650	47%	39,000
49,253	86,721	37,468	57%	139,000
1,189,934	1,333,414	143,480	89%	1,996,000
263,128	260,419	(2,709)	101%	414,000
245,508	262,350	16,842	94%	879,000
757,482	840,168	82,686	90%	1,387,000
345,609	314,050	(31,559)	110%	486,000
155,000	155,000	0	100%	233,000
213,030	229,000	15,970	93%	209,000
450,841	450,000	(841)	100%	750,000
119,727	117,000	(2,727)	102%	196,000
149,641	151,105	1,464	99%	215,000
454,739	440,000	(14,739)	103%	660,000
483,690	508,710	25,020	95%	765,000
598,233.53	645,825	47,591	93%	984,000
61,967	250,000	188,033	25%	375,000
98,058	33,000	(65,058)	297%	50,000
242,545	240,274	(2,271)	101%	390,000
241,638	233,383	(8,255)	104%	352,000
529,126	518,341	(10,785)	102%	761,000
6,852,667	7,318,357	465,690	94%	11,615,000

CAPITAL EXPENDITURE

Civil Contingencies
Infrastructure & Transport
Sub-Total

539,765	375,000	(164,765)	144%	375,000
15,924	16,000	77	100%	31,000
555,689	391,000	(164,689)	142%	406,000

SURPLUS/(DEFICIT)

Total

(461,302)	(873,736)	412,434	53%	(995,000)
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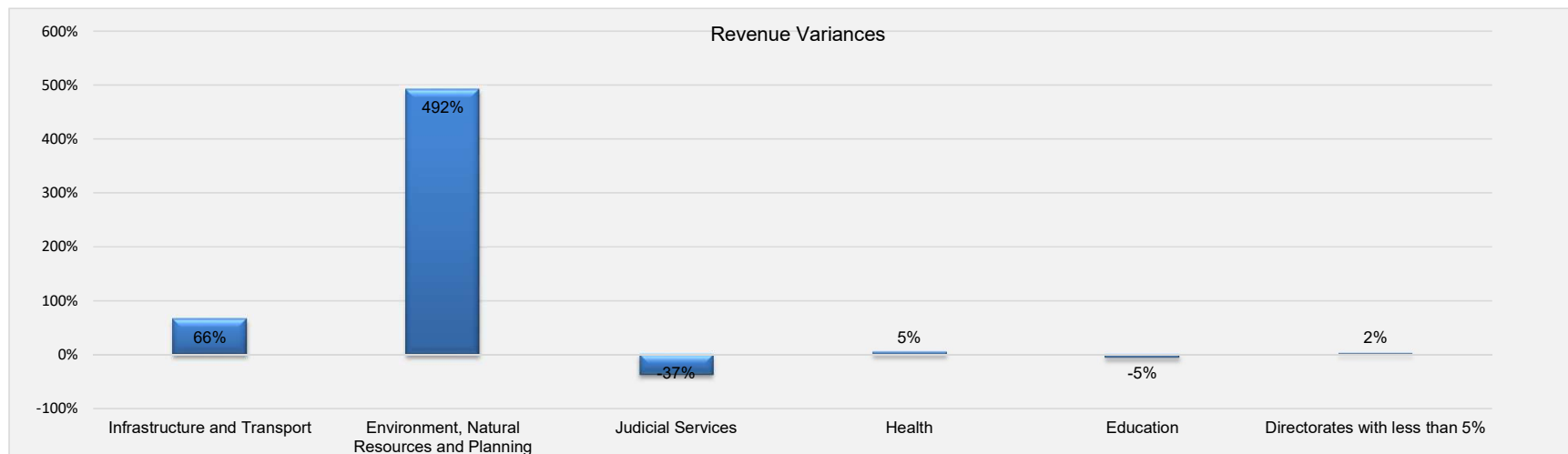
VARIANCE SUMMARY REPORT PERIOD 2 (MAY 2020)

REVENUE:

Overall revenue for the 2 months period ending May 2020 was £6,947,053 representing an over collection of 2% (£111,432).

When compared to budgeted revenue for the 2 months period to 31 May 2020 Environment, Natural Resources & Planning and Infrastructure & Transport collected more revenue by 492% and 66% respectively. For Environment, Natural Resources & Planning the annual commercial waste collection licence for waste management services was received earlier than expected and a significant planning application that was not anticipated being received. Judicial Services reported the lowest revenue collection when compared to the budget missing the target by 37%, this was attributed to lower than expected court business.

Please refer to the Variance Explanation Report for further details.





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VARIANCE SUMMARY REPORT PERIOD 2 (MAY 2020)

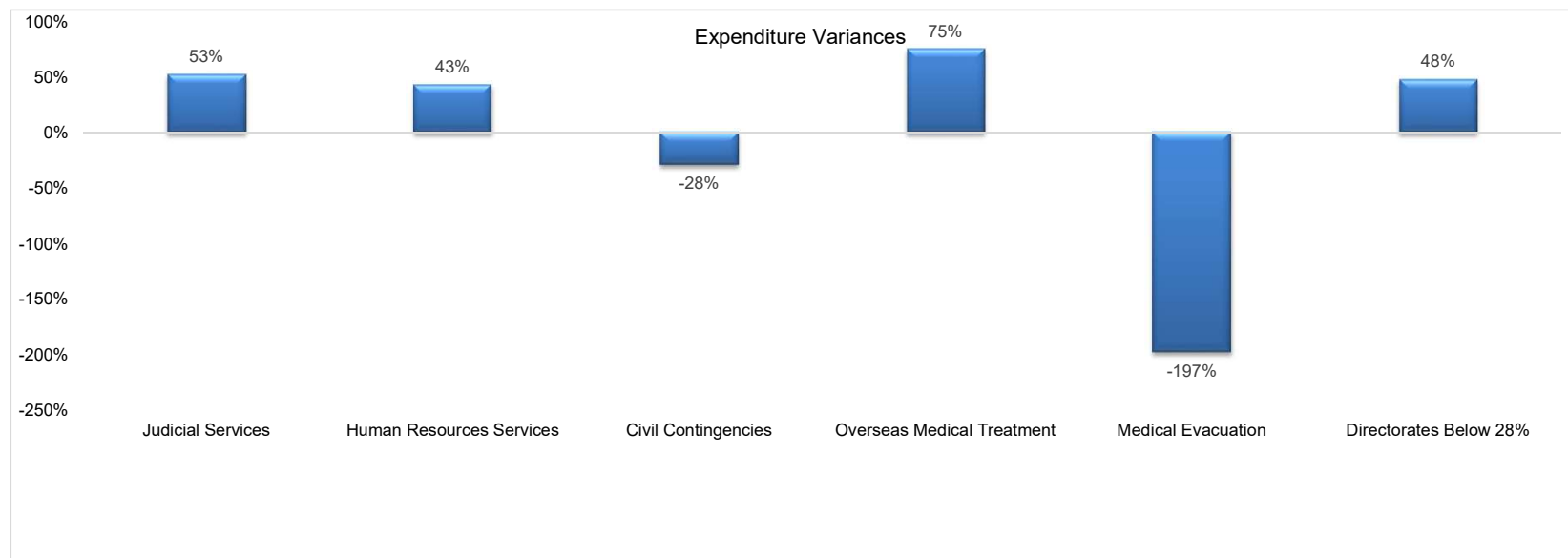
EXPENDITURE:

Overall expenditure for the 2 months period ending May 2020 was £7,408,356 an underspend of £301,000, 4% lower than budget.

When compared to budgeted expenditure the Overseas Medical Treatment budget, Judicial Services and HR Services had the highest savings 75%, 53% and 43% respectively.

The savings are mainly attributed to the COVID-19 pandemic travel restrictions which have meant fewer new patients were referred overseas and no travel arrangements were made for the Chief Justice and trainees that were meant to receive training overseas. The Medical Evacuation budget was overspent by 197% because two medical evacuations were activated compared to the one evacuation budgeted, similarly the expenditure for COVID-19 preparedness was 28% more than planned.

Refer to the Variance Explanation Report for further details.





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**VARIANCE EXPLANATION REPORT
PERIOD 2 (MAY 2020)**

HEAD/ SUBCOMPONENT

Environment, Natural Resources and Planning

Infrastructure and Transport

RECURRENT REVENUE BY EXCEPTION

REVENUE				
YEAR TO DATE				
Actual	Approved Budget	Variance A - AB Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	
£	£	£	%	Explanations of variances > 5% and £5,000
35,234	5,951	29,283	492%	The annual commercial waste collection licence for waste management services was received earlier than expected. In addition, a significant planning application that had not been anticipated, was received.
98,918	59,476	39,442	66%	The increase in revenue is mainly due to COVID-19 related works performed under the Roads Section which has been recharged to Civil Contingencies under Corporate Finance.
134,152	65,427	68,725	105%	

**VARIANCE EXPLANATION REPORT
PERIOD 2 (MAY 2020)**

HEAD/ SUBCOMPONENT

EXPENDITURE					
YEAR TO DATE					
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	%	Explanations of variances > 5% and £5,000
£	£	£	£		
Corporate Support, Policy & Planning	189,433	219,864	30,431	14%	The under spend is mainly due to the COVID-19 lockdown, which has resulted in the closure of the UK Representative's office.
Judicial Services	14,083	29,733	15,650	53%	Due to the COVID-19 lockdown travel arrangements were not made for the Chief Justice. In addition a contract with the Medical Examiner was not signed as anticipated.
Human Resources Services	49,253	86,721	37,468	43%	Due to the COVID-19 lockdown no training took place and travel arrangements could not be made for trainees hence the saving.
Technical Cooperation	1,189,934	1,333,414	143,480	11%	Most of the savings are a result of the COVID19 pandemic e.g. some advertising and recruitment costs have now been deferred as recruitment has been put on-hold, overseas travel for some Officers has been postponed and some consultants that were expected on the island are yet to travel. These costs are expected to reflect later in the year.
Corporate Finance	245,508	262,350	16,842	6%	The saving is a result of salary costs as well as less than expected electricity and telephone charges.
Payments on behalf of the Crown	757,482	840,168	82,686	10%	The under spend is mainly due the provision for IT Replacements being budgeted earlier than required, a decrease in the costs of school bus service resulting from school closures, less employer pensions contributions than anticipated and delays in employee membership registration fees for pensions due to social distancing measures.
Civil Contingencies	345,609	314,050	(31,559)	(10%)	The expenditure projections were less than actual.
Pensions	213,030	229,000	15,970	7%	Provision made for the retirement benefits for officers who have reached normal retirement age was not required in May 2020.
Health	598,234	645,825	47,591	7%	Savings mostly relate to adjustments for medical supplies purchased and received but not yet issued.
Overseas Medical Treatment	61,967	250,000	188,033	75%	Due to the COVID 19 pandemic there were no new overseas medical referrals as anticipated.
Medical Evacuation	98,058	33,000	(65,058)	(197%)	Two medical evacuations were activated compared to one evacuation budgeted for.
RECURRENT EXPENDITURE BY EXCEPTION	3,762,590	4,244,125	481,535	11%	

**VARIANCE EXPLANATION REPORT
PERIOD 2 (MAY 2020)**

HEAD

Civil Contingencies

CAPITAL EXPENDITURE BY EXCEPTION

CAPITAL EXPENDITURE				
YEAR TO DATE				
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	
£	£	£	%	Explanations of variances > 5% and £5,000
539,765	375,000	(164,765)	(44%)	The expenditure projections for construction works were less than the actual.
539,765	375,000	(164,765)	(44%)	