St Helena Government

BUDGET EXECUTION REPORT

FOR PERIOD 4 (JULY 2020)

FINANCIAL YEAR ENDING 31 MARCH 2021

St Helena Government

OVERVIEW OF BUDGET AND PERFORMANCE

Current stage of the budget monitoring process

This Budget Execution Report (BER) covers the period to 31 July 2020, period 4 in the financial year 2020/21.

The 2020 /21 budget was considered and approved at the formal Legislative Council session on 29 June 2020. A Rollover budget was in effect for the first 3 months of the financial year.

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 with the annual forecasting process having commenced in July 2020 for the appropriation period 2020/21.

Forecasts are updated on a monthly basis up to the year end with actuals for prior month revenues and expenditure. Any predicted (overspends) / underspends of expenditure / revenue is managed by the Directorate by making cost savings elsewhere if possible.

Summary of Performance

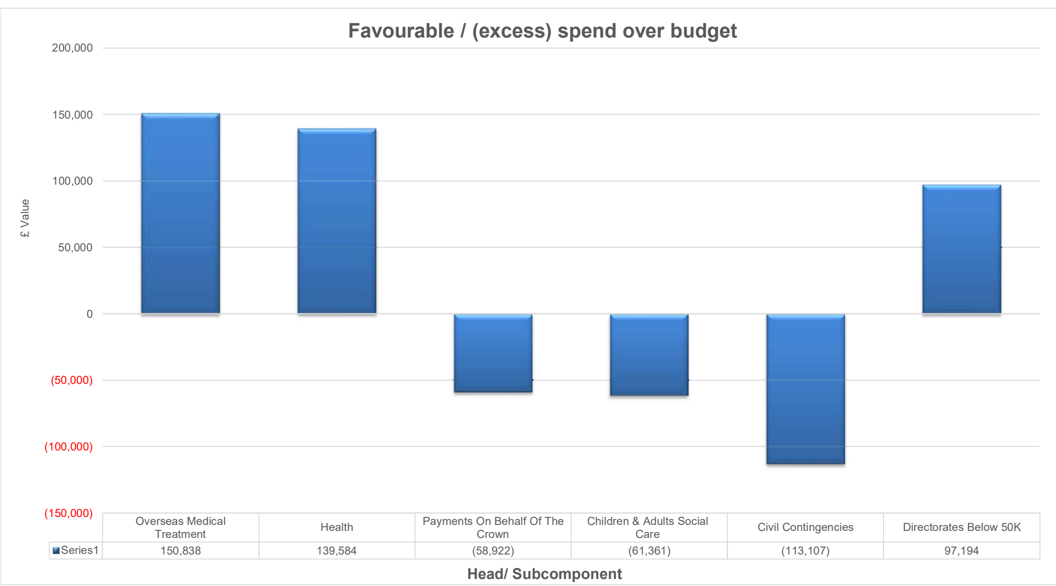
	Period to 31 July 20			Forecast to 31 March 21		
	Actual	**Budget**	**Variance**	**Forecast**	**Approved Budget**	**Variance**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Total Revenue	15,672	15,911	(239)	48,777	48,326	451
Total Expenditure:	(14,688)	(14,843)	(154)	(49,528)	(49,076)	(452)
Recurrent Expenditure	(14,044)	(14,408)	(363)	(48,100)	(48,054)	(46)
Capital Expenditure	(644)	(435)	209	(1,429)	(1,022)	(407)
Total Surplus / (Deficit)	984	1,069	(85)	(751)	(750)	(1)

Total Revenue

Actual revenue had an adverse variance of 2% (£239k) for the period to 30 July 2020 compared to the budget to the same date.

Total Expenditure

A favourable variance of 1% (£154k) was achieved for the period to 31 July 2020. The diagram below shows the heads of appropriation with variances above £50k. Detailed review of the variances can be found on pages 6 - 7. Total expenditure includes Recurrent and Capital expenditure.



Performance Against Budget

To date a surplus of £984k has been recorded being 8% less than the budgeted surplus of £1,069k. The surplus has been mainly due to significant underspends on the Overseas Medical Treatment budget and Health budget.

Performance Measures

Local revenue as a % of Total revenue	**Approved Budget £**	**Actual to Period 4 £**	**Budget to Period 4 £**
Total Local revenue	3,518,000	4,573,265	4,176,776
Total revenue	11,026,000	14,251,523	13,981,276
	32%	**32%**	**30%**

Actual performance is favourable reflecting 2% more than budget for the period to date. The favourable performance is mainly due to more than projected revenues received by Corporate Finance, ENRP, I&T and Health.

The BER 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 4 and 5. Detailed explanations for the budget variances are included on the Variance Explanation Report on pages 6 - 7.

St Helena Government

BUDGET EXECUTION REPORT
PERIOD 4 (JULY 2020)

	YEAR TO DATE				FULL YEAR			
HEAD/ SUBCOMPONENT	**Actual**	**Approved Budget**	**(1) Variance A - AB**	**A / AB**	**Forecast**	**Approved Budget**	**(2) Variance F-AB**	**F / AB**
REVENUE	**£**	**£**	**£**	**%**	**£**	**£**	**£**	**%**
Corporate Support, Policy & Planning	61,702	60,668	1,034	102%	189,103	189,000	103	100%
Judicial Services	6,832	8,106	(1,275)	84%	35,309	39,000	(3,691)	91%
Police	98,649	90,280	8,369	109%	311,934	312,000	(66)	100%
Corporate Finance	3,559,008	3,378,857	180,151	105%	11,453,419	11,393,000	60,419	101%
Payments On Behalf Of The Crown	8,975,831	8,948,500	27,331	100%	28,655,000	28,655,000	(0)	100%
Civil Contingencies	1,420,761	1,930,000	(509,239)	74%	3,067,000	2,500,000	567,000	123%
Airport Operations	939,064	960,000	(20,936)	98%	3,284,000	3,500,000	(216,000)	94%
Education	72,640	70,370	2,270	103%	242,834	244,000	(1,166)	100%
Health	219,120	201,993	17,127	108%	641,370	632,000	9,370	101%
Environment, Natural Resources & Planning	48,898	28,796	20,102	170%	134,619	111,000	23,619	121%
Infrastructure & Transport	183,113	129,309	53,804	142%	499,181	447,000	52,181	112%
Children & Adults Social Care	86,666	104,397	(17,731)	83%	263,101	304,000	(40,899)	87%
Sub-Total	**15,672,284**	**15,911,276**	**(238,992)**	**98%**	**48,776,870**	**48,326,000**	**450,870**	**101%**
RECURRENT EXPENDITURE								
Corporate Support, Policy & Planning	409,330	448,440	39,110	91%	1,353,137	1,329,000	(24,137)	102%
Judicial Services	32,041	45,258	13,217	71%	128,210	128,000	(210)	100%
Human Resources Services	107,082	113,274	6,192	95%	502,544	6,743,000	6,240,456	7%
Technical Co-operation	2,502,279	2,466,463	(35,816)	101%	8,536,612	1,996,000	(6,540,612)	428%
Police	550,432	557,399	6,967	99%	1,850,602	1,862,000	11,398	99%
Corporate Finance	514,446	495,835	(18,611)	104%	1,513,635	8,671,000	7,157,365	17%
Payments On Behalf Of The Crown	1,689,852	1,630,930	(58,922)	104%	6,847,176	1,387,000	(5,460,176)	494%
Civil Contingencies	569,798	664,250	94,452	86%	1,668,902	486,000	(1,182,902)	343%
Economic Development	310,000	306,778	(3,222)	101%	897,000	897,000	0	100%
Pensions	413,015	454,000	40,985	91%	1,290,000	1,290,000	(0)	100%
Basic Island Pension	904,870	902,000	(2,870)	100%	2,690,169	2,649,000	(41,169)	102%
Income Related Benefits	246,379	234,000	(12,379)	105%	968,793	885,000	(83,793)	109%
Access	302,741	301,189	(1,552)	101%	1,008,054	1,007,000	(1,054)	100%
Airport Operations	939,064	960,000	20,936	98%	3,284,000	3,500,000	216,000	94%
Education	1,001,153	1,033,943	32,790	97%	3,425,510	3,375,000	(50,510)	101%
Health	1,130,807	1,270,391	139,584	89%	3,953,395	3,878,000	(75,395)	102%
Overseas Medical Treatment	224,162	375,000	150,838	60%	1,489,402	1,500,000	10,598	99%
Medical Evacuation	98,058	98,000	(58)	100%	200,000	200,000	0	100%
Environment, Natural Resources & Planning	490,024	519,753	29,730	94%	1,725,585	1,675,000	(50,585)	103%
Infrastructure & Transport	529,021	512,469	(16,552)	103%	1,560,661	1,548,000	(12,661)	101%
Children & Adults Social Care	1,079,643	1,018,282	(61,361)	106%	3,206,198	3,048,000	(158,198)	105%
Sub-Total	**14,044,197**	**14,407,654**	**363,457**	**97%**	**48,099,582**	**48,054,000**	**(45,582)**	**100%**
CAPITAL EXPENDITURE								
Corporate Finance	-	-	0	0%	-	482,000		
Civil Contingencies	582,560	375,000	(207,560)	155%	770,269	450,000	(320,269)	171%
Education	-	-	0	0%	30,000	30,000	0	100%
Infrastructure & Transport	61,671	60,000	(1,671)	103%	146,500	60,000	(86,500)	244%
Sub-Total	**644,231**	**435,000**	**(209,231)**	**148%**	**1,428,769**	**1,022,000**	**(888,769)**	**140%**
SURPLUS/(DEFICIT)								
Total	**983,856**	**1,068,622**	**(84,766)**	92%	**(751,481)**	**(750,000)**	**(1,481)**	100%

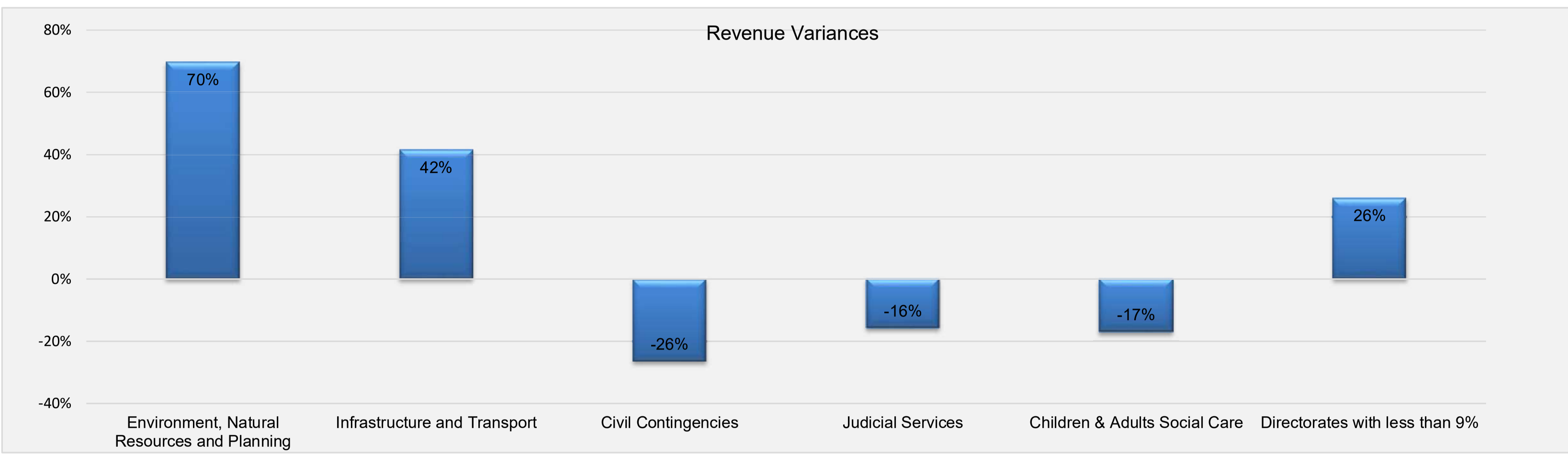
St Helena Government

VARIANCE SUMMARY REPORT
PERIOD 4 (JULY 2020)

REVENUE:
Overall revenue for the 4 months period ending July 2020 was £15,672,284 representing an under collection of (**-2%)** (£238,992).

When compared to budgeted revenue for the 4 months period to 31 July 2020 Environment, Natural Resources & Planning, Infrastructure & Transport, and Police collected more revenue by 70%, 42% and 9% 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 and CASC reported the lowest revenue collections when compared to the budget missing the target by 16% and 17% respectively, this was attributed to lower than expected court business and lower fees collected under CASC.

Please refer to the Variance Explanation Report for further details.



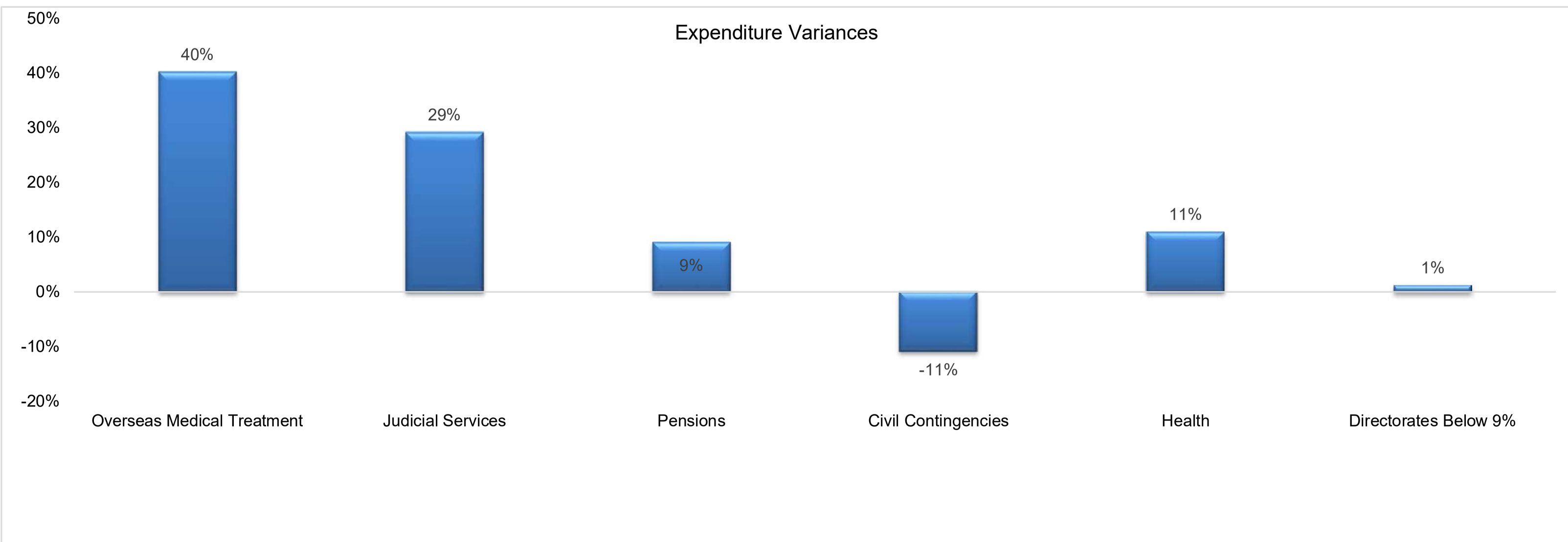
St Helena Government

VARIANCE SUMMARY REPORT
PERIOD 4 (JULY 2020)

EXPENDITURE:
Overall expenditure for the 4 months period ending July 2020 was £14,688,428 an underspend of £154,226, 1% lower than budget.

When compared to budgeted expenditure the Overseas Medical Treatment budget, Judicial Services, Health and Pensions had the highest savings 40%, 29%, 11% and 9% respectively. The savings are mainly attributed to the COVID-19 pandemic travel restrictions which have meant a significantly lower number of 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 Civil Contingencies was overspent by 11% due to costs being higher than anticipated.

Refer to the Variance Explanation Report for further details.



St Helena Government

VARIANCE EXPLANATION REPORT
PERIOD 4 (JULY 2020)

4,437,945.37

REVENUE — YEAR TO DATE

HEAD/ SUBCOMPONENT	Actual £	Approved Budget £	Variance A - AB Favourable / (Adverse) £	Variance AB - A Favourable / (Adverse) %	Explanations of variances > 5% and £5,000
Police	98,649	90,280	8,369	9%	The higher revenue was due to a charge to Ascension Island Government for OTRICs Platform (£4k) and the remainder being immigration service fees for Saint Status Application, Saint Naturalisation and similar services.
Corporate Finance	3,559,008	3,378,857	180,151	5%	The higher revenue collection Is due to the customs duties (£180k) on Alcohol importation.
Civil Contingencies	1,420,761	1,930,000	(509,239)	(26%)	The revenue is less than budget due to nature of the project, the income recognition was projected to be earlier in response to the project's expenses.
Health	219,120	201,993	17,127	8%	The increase in revenue is mainly due to eye examinations service, medical and hospital fees as well as food testing fees.
Environment, Natural Resources and Planning	48,898	28,796	20,102	70%	The over collection is significantly attributable to planning application fees (£15k) that had not been anticipated, with additional vet service fees (£4k).
Infrastructure and Transport	183,113	129,309	53,804	42%	The increase in revenue is mainly due to COVID-19 related works performed under the Roads Section (£29k) which has been recharged to Civil Contingencies under Corporate Finance. Additional charges by Works Section crossed charged (£8k) for housing maintenance. Receipts from the loan of Tar Sprayer and CAN France salary recharges amounted to (£12k). The remainder relates to annual land registration / rental / licences fees received earlier than anticipated.
Children & Adults Social Care	86,666	104,397	(17,731)	(17%)	Due to ongoing client assessments, the change in policy allowing the government to charge fees to CCC residents that are in receipt of private pensions was not implemented immediately as expected.
RECURRENT REVENUE BY EXCEPTION	**5,616,215**	**5,863,632**	**(247,417)**	(4%)	

EXPENDITURE — YEAR TO DATE

HEAD/ SUBCOMPONENT	Actual £	Approved Budget £	Variance AB - A Favourable / (Adverse) £	Variance AB - A Favourable / (Adverse) %	Explanations of variances > 5% and £5,000
Corporate Support, Policy & Planning	409,330	448,440	39,110	9%	The under spend is mainly due to the COVID-19 lockdown, which has resulted in the closure of the UK Representative's office (£30k). Due to delayed budget approval conservative spending was maintained resulting is underspends in various areas across the budget notably Administrative expenses (£8k).
Judicial Services	32,041	45,258	13,217	29%	Due to the COVID-19 lockdown, travel and accommodation (£8k) arrangements to St Helena were not made for the Chief Justice. Magistrates' attendance fees, were lower than anticipated resulting in a £2k underspend. A vacancy saving on employee costs was achieved (£2k).

St Helena Government

VARIANCE EXPLANATION REPORT
PERIOD 4 (JULY 2020)

4,437,945.37

HEAD/ SUBCOMPONENT	Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	Explanations of variances > 5% and £5,000
	EXPENDITURE YEAR TO DATE				
	£	£	£	%	
Human Resources Services	107,082	113,274	6,192	5%	The variance is attributable to overseas training, which has slowed down due to COVID-19 lockdown as candidates can not travel.
Civil Contingencies	569,798	664,250	94,452	14%	The underspend has been due to the nature of the project relating to COVID 19, an initial higher budget was provided at the onset of the project as a reactionary measure. This is expected to be utilised as the year progresses and the risk to the Island continuously assessed.
Pensions	413,015	454,000	40,985	9%	The provision for pensions benefits on retirement for new pensioners was not required due to continued employment after retirement age.
Income Related Benefits	246,379	234,000	(12,379)	(5%)	The actual is demand led and is more than the budget due to an increase in the number of claimants.
Health	1,130,807	1,270,391	139,584	11%	The net saving is due to stock adjustments on medical supplies. The cost of medical supplies purchased is transferred to the inventory account and reflected as an expense as it is used. At presents a total of £435k has been spent however the vast majority is held in inventory. This expected to reverse as the year progresses and inventory is issued.
Overseas Medical Treatment	224,162	375,000	150,838	40%	Due to the COVID 19 pandemic there were no new/additional overseas medical referrals sent off Island as anticipated resulting in an underspend.
Environment, Natural Resources and Planning	490,024	519,753	29,730	6%	The underspend has been mainly due to overseas procurement supply delays as a result of reduced activities from the effects of COVID 19, supplies and services were underspent by £23k. Farmer Support grants £7k had not yet been utilised.
Children & Adults Social Care	1,079,643	1,018,282	(61,361)	(6%)	The overspend is due to employee costs being higher which included allowances & overtime (£36k). Increased contracts payments in relation to laundry costs (£14k) and urgent supplies and services (£22k) contributed to the overspend. A net saving of (£11k) was achieved mainly from grants not yet awarded.
RECURRENT EXPENDITURE BY EXCEPTION	**4,702,280**	**5,142,648**	**440,368**	9%	

HEAD	Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	Explanations of variances > 5% and £5,000
	CAPITAL EXPENDITURE YEAR TO DATE				
	£	£	£	%	
Civil Contingencies	582,560	375,000	(207,560)	(55%)	The expenditure projections for construction works were less than the actual.
CAPITAL EXPENDITURE BY EXCEPTION	**582,560**	**375,000**	**(207,560)**	(55%)	