



# **St Helena Government**

## **BUDGET EXECUTION REPORT**

**FOR PERIOD 4 (JULY 2019) OF  
FINANCIAL YEAR ENDING 31 MARCH 2020**



**Overview of Budget and Performance for the Financial Year ending March 2020**

**Current stage of the budget monitoring process**

This Budget Execution Report (BER) covers the period April - July 2019 for the year ending 31 March 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. Budgets are scrutinised on a monthly basis against actual revenues and expenditure.

No Special Warrants or Supplementary Appropriation have taken place to date.

**Outline of Approved budget**

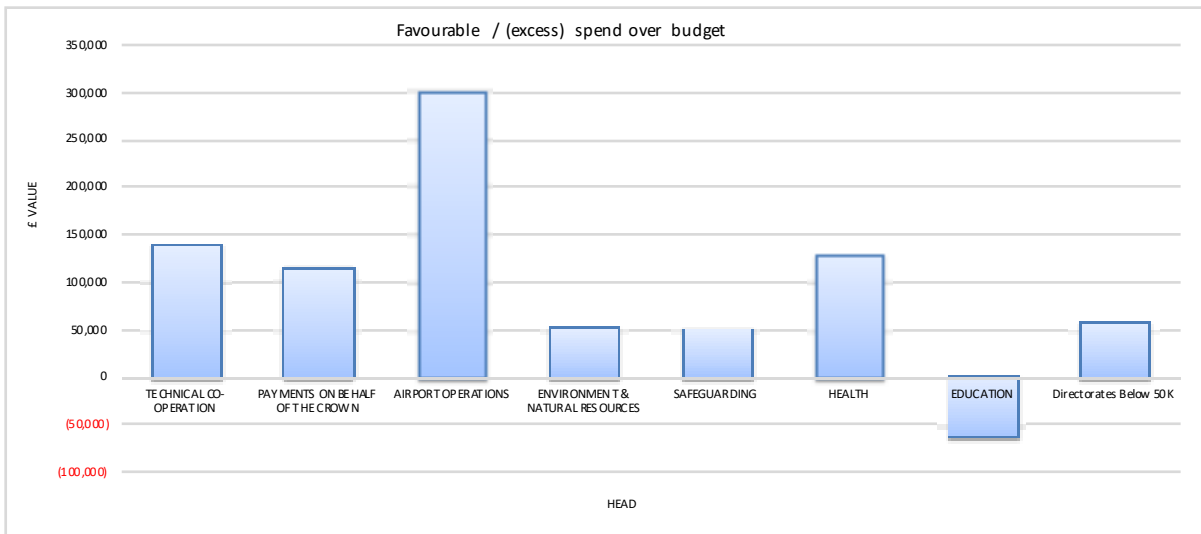
The total Original Approved Budget for the year is as follows:	Actuals:	Budgeted:	Actual Vs Budget		Approved Budget
	Year to Date £'000	Year to Date £'000	£'000	%	£'000
<b>Total Recurrent Income:</b>	<b>14,903</b>	<b>15,076</b>	<b>(173)</b>	<b>-1%</b>	<b>46,056</b>
<b>Total Expenditure:</b>	<b>(13,686)</b>	<b>(14,418)</b>	<b>(732)</b>	<b>5%</b>	<b>(46,056)</b>
Recurrent Expenditure:	(13,647)	(14,418)	(771)	5%	(45,801)
Capital Expenditure	(39)	0	39	100%	(255)
<b>Total budget Surplus/(deficit)</b>	<b>1,218</b>	<b>658</b>	<b>559</b>	<b>85%</b>	<b>0</b>

**Revenue**

There is an adverse variance of £173k (1%) for the period April - July 2019 mainly due to under collection in Customs (refer to Page 4 and 6 for more detail).

**Expenditure (Recurrent & Capital)**

A favourable variance of £732k (5%) was achieved for the period April - July 2019. The diagram below shows the heads of appropriation with variances above £50k. Detailed review can be found on pages 5, 6 and 8



**Performance Against Budget**

To date we have recorded a surplus of £1,218k being 85% higher than the budgeted surplus of £658k. The higher surplus has been mainly due to significant underspend in Technical Co-operations, Payments on Behalf of the Crown, Airport Operations and Health.

The Budget Execution Report on page 2 shows the performance against revenue and expenditure budgets by Head of Appropriation and significant sub component budgets. The performance is further illustrated by the Consolidated Fund Variance Summary Reports on pages 3 and 4. Detailed explanations for the budget variances are included on the Variance Explanation report on pages 5 and 6.



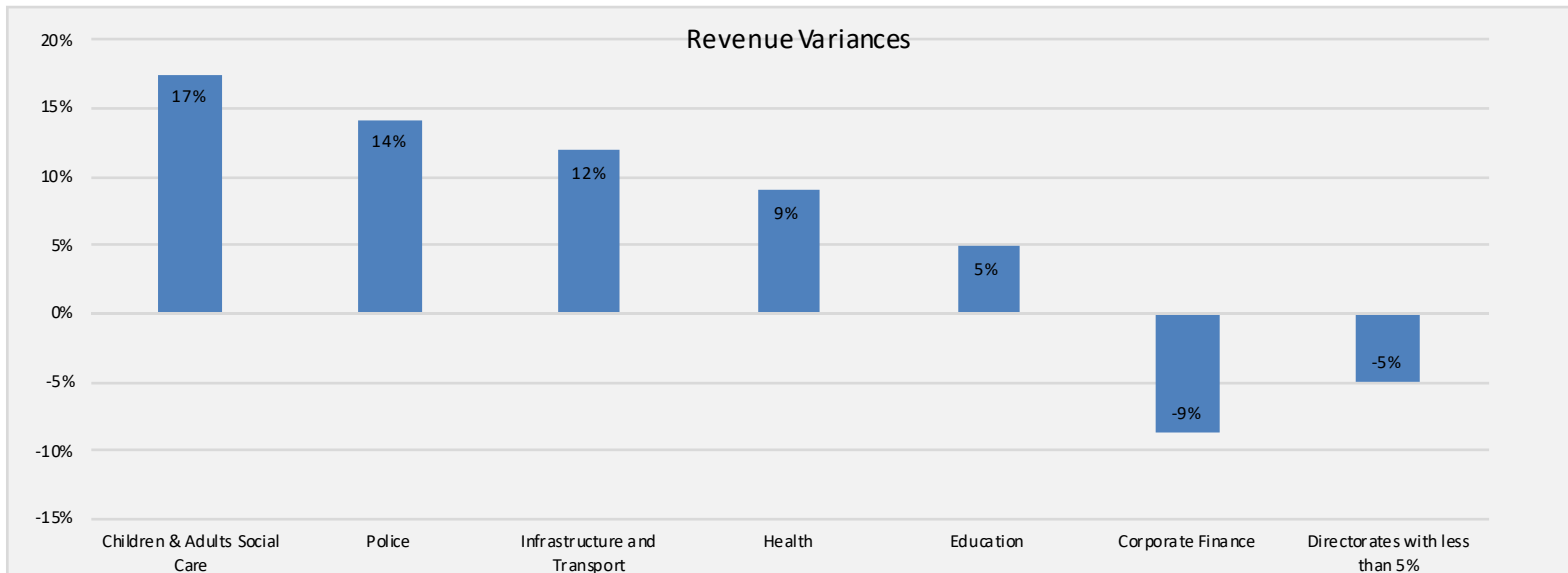
St Helena  
Government

## CONSOLIDATED FUND BUDGET EXECUTION REPORT

	REVENUE					EXPENDITURE					SURPLUS/(DEFICIT)		
	YEAR TO DATE				FULL YEAR	YEAR TO DATE				FULL YEAR	YEAR TO DATE		
	Actual	Approved Budget	(1) Variance A - AB	A / AB %	Approved Budget	Actual	Approved Budget	(1) Variance AB - A	A / AB %	Approved Budget	Actual	Approved Budget	(1) Variance A - AB
£	£	£	%	£	£	£	£	%	£	£	£	£	
CORPORATE SUPPORT, POLICY & PLANNING	89,849	91,414	(1,565)	98%	291,000	522,426	508,340	(14,086)	103%	1,537,000	(432,577)	(416,926)	(15,651)
HUMAN RESOURCES SERVICES	0	0	0	0%	0	101,512	119,182	17,670	85%	536,000	(101,512)	(119,182)	17,670
TECHNICAL CO-OPERATION	0	0	0	0%	0	2,789,978	2,927,263	137,285	95%	8,623,000	(2,789,978)	(2,927,263)	137,285
POLICE	132,783	116,449	16,334	114%	377,000	559,587	603,935	44,348	93%	1,848,000	(426,803)	(487,486)	60,683
CORPORATE FINANCE	3,374,668	3,699,314	(324,646)	91%	11,543,000	430,547	429,848	(699)	100%	1,328,000	2,944,122	3,269,466	(325,344)
PAYMENTS ON BEHALF OF THE CROWN	9,574,229	9,486,668	87,561	101%	28,742,000	1,742,061	1,855,313	113,252	94%	7,162,000	7,832,168	7,631,355	200,813
ECONOMIC DEVELOPMENT	0	0	0	0%	0	310,000	310,000	0	100%	930,000	(310,000)	(310,000)	0
PENSIONS	0	0	0	0%	0	428,663	431,394	2,731	99%	1,290,000	(428,663)	(431,394)	2,731
BASIC ISLAND PENSION	0	0	0	0%	0	808,362	803,994	(4,368)	101%	2,448,000	(808,362)	(803,994)	(4,368)
INCOME RELATED BENEFITS	0	0	0	0%	0	197,828	189,851	(7,977)	104%	551,000	(197,828)	(189,851)	(7,977)
ACCESS	0	0	0	0%	0	206,531	234,525	27,994	88%	712,000	(206,531)	(234,525)	27,994
AIRPORT OPERATIONS	1,160,000	1,160,000	0	100%	3,500,000	870,457	1,166,667	296,210	75%	3,500,000	289,543	(6,667)	296,210
EDUCATION	74,574	71,150	3,424	105%	227,000	1,039,264	977,212	(62,052)	106%	3,350,000	(964,690)	(906,062)	(58,628)
HEALTH	206,565	189,648	16,917	109%	569,000	1,073,142	1,199,819	126,677	89%	3,886,000	(866,577)	(1,010,171)	143,594
OVERSEAS MEDICAL TREATMENT	0	0	0	0%	0	509,743	500,000	(9,743)	102%	1,500,000	(509,743)	(500,000)	(9,743)
MEDICAL EVACUATION	0	0	0	0%	0	44,977	90,000	45,023	50%	200,000	(44,977)	(90,000)	45,023
ENVIRONMENT, NATURAL RESOURCES & PLANNING	32,359	33,794	(1,435)	96%	113,000	569,089	620,250	51,161	92%	1,867,000	(536,729)	(586,456)	49,727
INFRASTRUCTURE & TRANSPORT	176,795	158,170	18,625	112%	486,000	525,473	482,732	(42,741)	109%	1,530,000	(348,678)	(324,562)	(24,116)
CHILDREN & ADULTS SOCIAL CARE	81,334	69,331	12,003	117%	208,000	917,168	967,329	50,161	95%	3,003,000	(835,835)	(897,998)	62,163
<b>Total Recurrent</b>	<b>14,903,157</b>	<b>15,075,938</b>	<b>(172,781)</b>	<b>99%</b>	<b>46,056,000</b>	<b>13,646,807</b>	<b>14,417,654</b>	<b>770,847</b>	<b>95%</b>	<b>45,801,000</b>	<b>1,256,350</b>	<b>658,284</b>	<b>598,066</b>
<b>Capital</b>													
POLICE	0	0	0	0%	0	0	0	0	0%	30,000	0	0	0
CORPORATE FINANCE	0	0	0	0%	0	0	0	0	0%	50,000	0	0	0
EDUCATION	0	0	0	0%	0	18,531	0	(18,531)	0%	0	(18,531)	0	(18,531)
INFRASTRUCTURE & TRANSPORT	0	0	0	0%	0	20,296	0	(20,296)	0%	175,000	(20,296)	0	(20,296)
<b>Total Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>38,827</b>	<b>0</b>	<b>(38,827)</b>	<b>0%</b>	<b>255,000</b>	<b>(38,827)</b>	<b>0</b>	<b>(38,827)</b>
<b>Movement on Consolidated Fund</b>	<b>14,903,157</b>	<b>15,075,938</b>	<b>(172,781)</b>	<b>99%</b>	<b>46,056,000</b>	<b>13,685,634</b>	<b>14,417,654</b>	<b>732,020</b>	<b>95%</b>	<b>46,056,000</b>	<b>1,217,523</b>	<b>658,284</b>	<b>559,239</b>



## CONSOLIDATED FUND VARIANCE SUMMARY REPORT PERIOD 4 (JULY 2019)

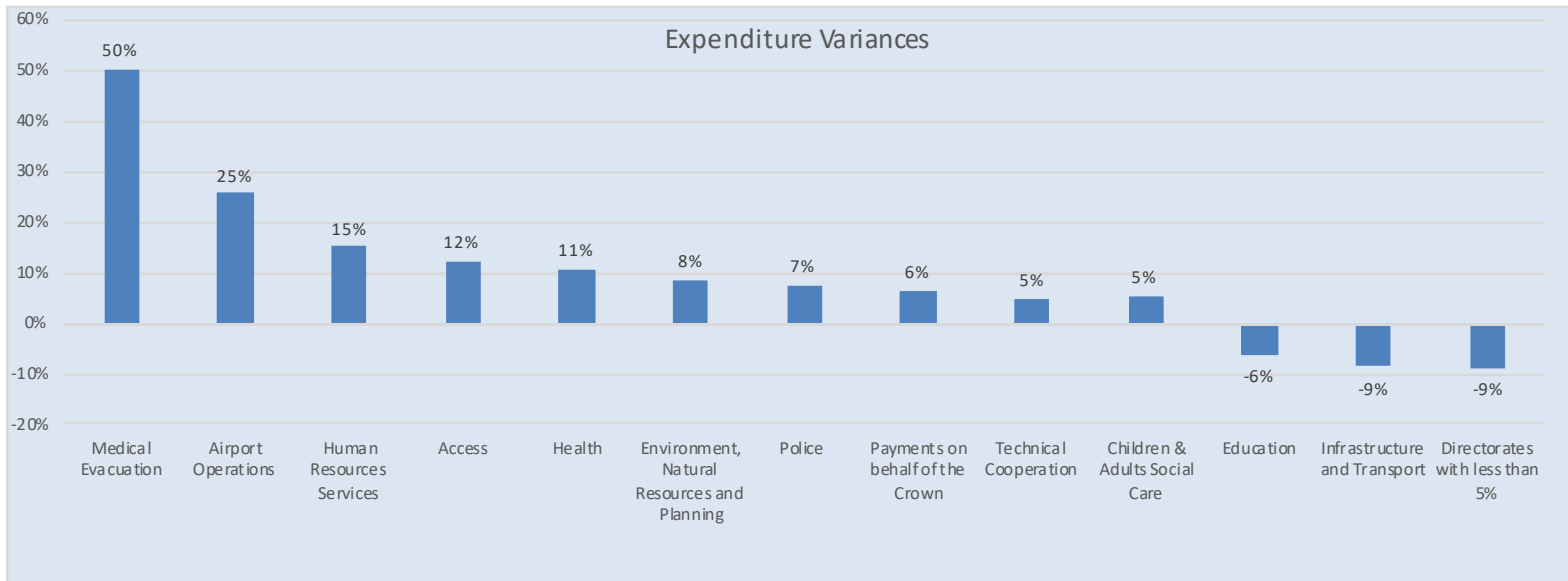


### REVENUE:

Overall revenue for the 4 months period ending July 2019, reflected an under collection of one percent (**circa £173,000**).

We reported an over-collection of fees under the 5 directorates (Police, Education, Health, I&T and CASC) by circa £67,000. However the position to date has been reduced by the under collection of customs revenue by Corporate Finance. The under collection in customs amounted to circa £364,000.

Please refer to the variance explanation report for detail.



**EXPENDITURE:**

Overall expenditure for the 4 months period ending July 2019, reflected an under spend by five percent (circa £771,000).

The reasons for the underspend included timing differences between budgeted expenditure and actual costs due to contracts and procurement being delayed. Also noted was a saving in salaries due to vacant posts due to staff turnover. The largest underspends were noted under Technical Co-operation, Payments on Behalf of the Crown, Health and Airport Operations (£137,000; £113,000, £127,000 and £296,000 respectively).

Please refer to the variance explanation report for detail.



## CONSOLIDATED FUND VARIANCE EXPLANATION REPORT PERIOD 4 (JULY 2019)

Head

REVENUE					
YEAR TO DATE					
Actual	Approved Budget	Variance A - AB Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	%	Explanations of variances >5%	
Police	132,783	116,449	16,334	14%	Immigration fees for the first two months of the year were more than anticipated. This is partly attributable to two cruise ship arrivals
Corporate Finance	3,374,668	3,699,314	(324,646)	(9%)	The under collection of customs taxes was mainly due to less items being imported to the Island in respect to alcohol and other items of £385k. Revenue generated from excise and liquor duty was under collected by £94k which was due to importation of items attracting lower duty charges. Additional under collection was reported in the Port Management and Customer Service Centre of £5k and £15k respectively. This was off-set by favourable collection in Customs Taxes for Fuel and Tobacco of £126k and £48k respectively.
Health	206,565	189,648	16,917	9%	Dental and hospital fees were slightly higher than budgeted as well as increased revenue from water testing.
Infrastructure and Transport	176,795	158,170	18,625	12%	There was an increased number of properties sold resulting in an increase in stamp duty of £5k than anticipated as well as leased property/land £13k
Children & Adults Social Care	81,334	69,331	12,003	17%	The over collection is due to the actual revenue being higher than budgeted at the Princess Royal CCC, notably budgeted average rental was £45 compared to an actual of £60 per week.
<b>TOTAL RECURRENT INCOME</b>	<b>14,903,157</b>	<b>15,075,938</b>	<b>(172,781)</b>	<b>(1%)</b>	

EXPENDITURE					
YEAR TO DATE					
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	%	Explanations of variances >5%	
Human Resources Services	101,512	119,182	17,670	15%	The underspend has been due to Distance Learning Courses, Modules for Nurses and Overseas training not being taken as planned
Technical Cooperation	2,789,978	2,927,263	137,285	5%	The underspend is due to vacant TC posts and a timing difference on consultancy fees to be spent later in the year (£146k and £70k respectively). This was off-set by higher accommodation and vacancy advertising expenses of £53k and £25k respectively.
Police	559,587	603,935	44,348	7%	The underspend is largely attributable to vacancies (notably in Police Operations & Immigration) amounting to £33k, as well as a timing difference between planned spend and actual spend on supplies and services

EXPENDITURE					
YEAR TO DATE					
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	£	%	
				<b>Explanations of variances &gt;5%</b>	
Payments on behalf of the Crown	1,742,061	1,855,313	113,252	6%	The actual for IT Replacement is £42k lower than anticipated to date. Legal fees reflected an underspend (£12k) due to pending cases yet to be finalised. Public pensions expenditure is currently lower than budget resulting in £37k underspend. Expenditure on external contracts were lower than budgeted resulting in an underspend of £91k. These were off-set by a net overspend on payments to the St Helena Hotel Development of £81k.
Access	206,531	234,525	27,994	12%	Savings were made on the Rupert's to Jamestown barge costs, these are depended on volume of goods transported. The average cost for the first three months is £27k compared to an expected cost is £43k per month resulting in an underspend.
Airport Operations	870,457	1,166,667	296,210	25%	The difference is due to budget equally phased over 12 months however, the actual cost is expected to increase towards the end of the year.
Education	1,039,264	977,212	(62,052)	(6%)	£44k of the overspend is the result of expenditure on training materials being more than anticipated. Training materials are dependant on registrations. In addition, IT actual recharges were more than budgeted resulting in an overspend of £22k for the quarter as well as Customs charges of £10k not phased for the procurement of the training material. These were off-set by an underspend on Apprenticeships due to registrations (£12k).
Health	1,073,142	1,199,819	126,677	11%	The underspend has been largely due to savings on employee related costs amounted to £35k mostly due to vacancies. £35k underspend results from the Patient Source contract not yet entered into as expected. £54k saving on supplies & services mainly medical supplies currently held as stock items yet to be expensed.
Medical Evacuation	44,977	90,000	45,023	50%	To date only one aeromed flight occurred from April - July. This is a unpredictable cost for which costs could be used in the future.
Environment, Natural Resources and Planning	569,089	620,250	51,161	8%	The underspend is mostly due to vacancies not filled of £16k. There is a timing difference between budgeted contract work (£25k) and procurement (£10k) not being completed and billed as forecasted.
Infrastructure and Transport	525,473	482,732	(42,741)	(9%)	The overspend was due to the general maintenance for GLH & Buildings (£36k) as well as purchase of petrol jetter for unblocking sewerage pipes (£6k).
Children & Adults Social Care	917,168	967,329	50,161	5%	An underspend on employees costs of £15k was achieved due to vacancies not being filled. A phasing difference on supplies procurement of £10k and net savings on allowances/benefits of £8k as a resulted of expected increase in recipients not yet materialising. A total of £32k budgeted for Autism related expenses will be phased to cover recharges (including transport recharges for 2 additional new mobility vehicles) resulting in a net saving of £19k to date to be used later in the year.
<b>TOTAL RECURRENT EXPENDITURE</b>	<b>13,646,807</b>	<b>14,417,654</b>	<b>770,847</b>	<b>5%</b>	

CAPITAL EXPENDITURE					
YEAR TO DATE					
Head	Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	
	£	£	£	%	Explanations of variances >5%
Police	0	0	0	0%	N/A
Corporate Finance	0	0	0	0%	N/A
Education	18,531	0	(18,531)	0%	The overspend related to the replacement of a server to be funded from the re-current budget.
Infrastructure and Transport	20,296	0	(20,296)	0%	The overspend related to emergency work required on the Buttress Wall required to ensure public safety.
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>38,827</b>	<b>0</b>	<b>(38,827)</b>		
<b>TOTAL EXPENDITURE</b>	<b>13,685,634</b>	<b>14,417,654</b>	<b>732,020</b>		

#### PERFORMANCE MEASURES

Local Revenue as a Percentage of total expenditure:

	Annual Approved Budget	Actual to Period 4 (31/7/19)	Budget to Period 4 (31/07/19)
Total Local revenue	12,750,000	5,328,928	4,429,270
Total Expenditure	46,056,000	13,685,634	14,417,654
Percentage	28%	39%	31%