



St Helena Government

BUDGET EXECUTION REPORT

**FOR PERIOD 6 (SEPTEMBER 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 - September 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.

Outline of Approved budget

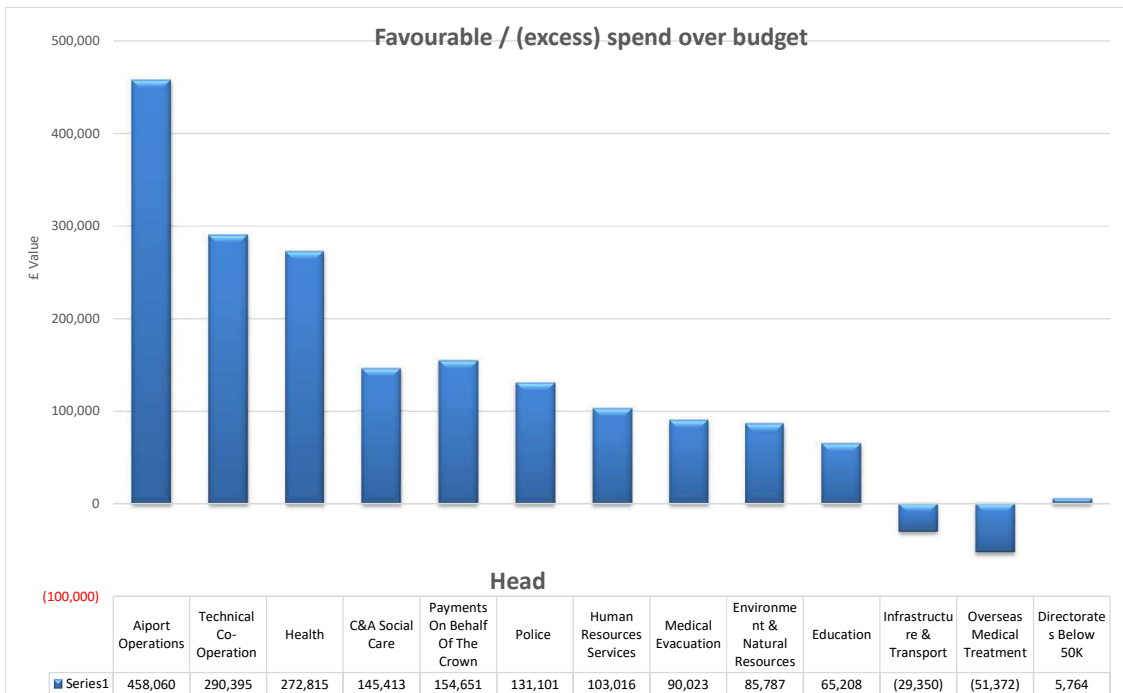
	Actuals:	Budgeted:	Actual Vs Budget		Approved Budget
	Year to Date £'000	Year to Date £'000	£'000	%	£'000
Total Recurrent Income:	21,699	22,116	(418)	-2%	46,056
Total Expenditure:	(20,695)	(22,400)	(1,704)	8%	(46,056)
Recurrent Expenditure:	(20,651)	(22,372)	(1,722)	8%	(45,801)
Capital Expenditure	(44)	(27)	17	100%	(255)
Total budget Surplus/(deficit)	1,003	(283)	1,287	-454%	0

Revenue

Revenue had an adverse variance of £418k for the period April - September 2019.

Expenditure (Recurrent)

A favourable variance of £1,722k (8%) was achieved for the period April - September 2019. The diagram below shows the heads of appropriation with variances above £50k. Detailed review can be found on pages 5, 6 - 8.



Performance Against Budget

To date we have recorded a surplus of £1003k being 454% higher than the budgeted deficit of £283k. The higher surplus has been mainly due to significant underspend in Airport Operations, Technical Co-operations, Health, Social Care, Payments on Behalf of the Crown, Police and Human Resource Services.

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 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 6 - 8.



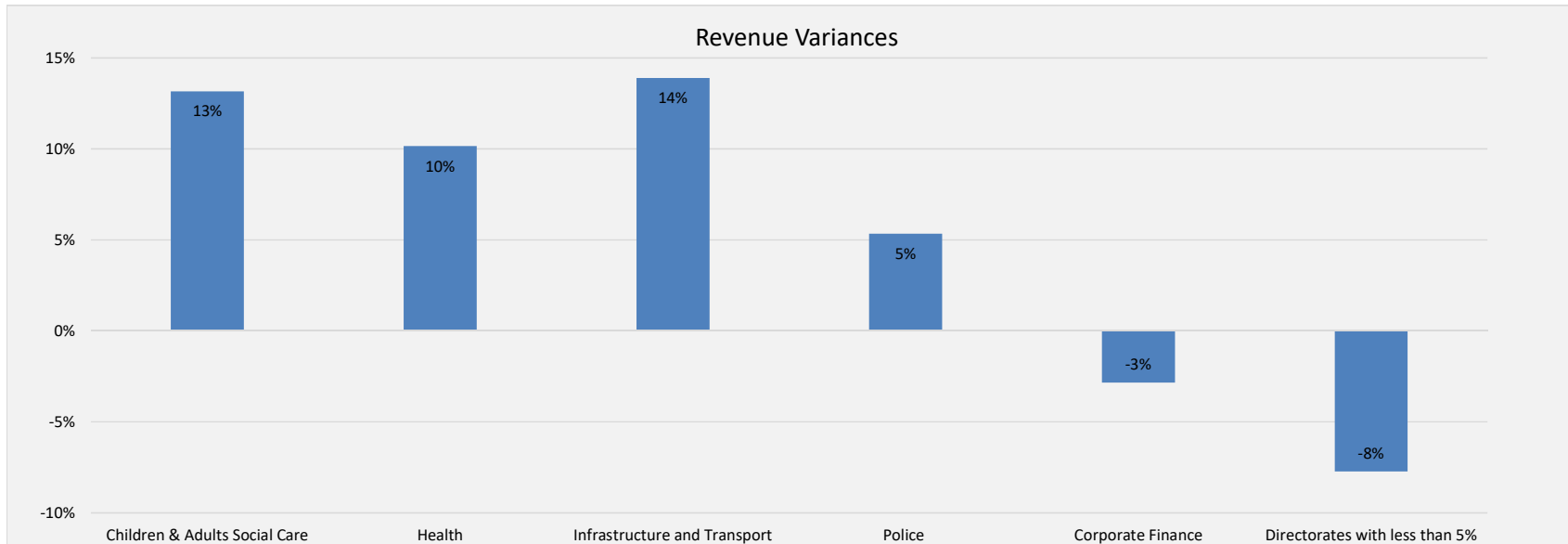
St Helena
Government

CONSOLIDATED FUND BUDGET EXECUTION REPORT

	REVENUE					EXPENDITURE					SURPLUS/(DEFICIT)			
	YEAR TO DATE				FULL YEAR Approved Budget £	YEAR TO DATE				FULL YEAR Approved Budget £	YEAR TO DATE			FULL YEAR Approved Budget £
	Actual £	Approved Budget £	(1) Variance A - AB £	A / AB %		Actual £	Approved Budget £	(1) Variance AB - A £	A / AB %		Actual £	Approved Budget £	(1) Variance A - AB £	
CORPORATE SUPPORT, POLICY & PLANNING	136,596	139,100	(2,504)	98%	291,000	774,740	754,952	(19,788)	103%	1,537,000	(638,144)	(615,852)	(22,292)	(1,246,000)
HUMAN RESOURCES SERVICES	0	0	0	0%	0	230,670	333,686	103,016	69%	536,000	(230,670)	(333,686)	103,016	(536,000)
TECHNICAL CO-OPERATION	0	0	0	0%	0	4,126,059	4,416,454	290,395	93%	8,623,000	(4,126,059)	(4,416,454)	290,395	(8,623,000)
POLICE	180,093	170,964	9,129	105%	377,000	823,971	955,072	131,101	86%	1,848,000	(643,878)	(784,108)	140,230	(1,471,000)
CORPORATE FINANCE	4,923,466	5,067,539	(144,073)	97%	11,543,000	641,619	653,913	12,294	98%	1,328,000	4,281,847	4,413,626	(131,779)	10,215,000
PAYMENTS ON BEHALF OF THE CROWN	13,845,660	14,197,002	(351,342)	98%	28,742,000	2,575,382	2,730,033	154,651	94%	7,162,000	11,270,278	11,466,969	(196,691)	21,580,000
ECONOMIC DEVELOPMENT	0	0	0	0%	0	465,000	465,000	0	100%	930,000	(465,000)	(465,000)	0	(930,000)
PENSIONS	0	0	0	0%	0	670,629	672,510	1,881	100%	1,290,000	(670,629)	(672,510)	1,881	(1,290,000)
BASIC ISLAND PENSION	0	0	0	0%	0	1,238,576	1,229,638	(8,938)	101%	2,448,000	(1,238,576)	(1,229,638)	(8,938)	(2,448,000)
INCOME RELATED BENEFITS	0	0	0	0%	0	310,608	290,360	(20,248)	107%	551,000	(310,608)	(290,360)	(20,248)	(551,000)
ACCESS	0	0	0	0%	0	314,001	354,564	40,563	89%	712,000	(314,001)	(354,564)	40,563	(712,000)
AIRPORT OPERATIONS	1,743,334	1,744,000	(666)	100%	3,500,000	1,291,940	1,750,000	458,060	74%	3,500,000	451,394	(6,000)	457,394	0
EDUCATION	108,744	111,700	(2,956)	97%	227,000	1,602,152	1,667,360	65,208	96%	3,350,000	(1,493,407)	(1,555,660)	62,253	(3,123,000)
HEALTH	313,344	284,484	28,860	110%	569,000	1,682,864	1,955,679	272,815	86%	3,886,000	(1,369,520)	(1,671,195)	301,675	(3,317,000)
OVERSEAS MEDICAL TREATMENT	0	0	0	0%	0	801,372	750,000	(51,372)	107%	1,500,000	(801,372)	(750,000)	(51,372)	(1,500,000)
MEDICAL EVACUATION	0	0	0	0%	0	44,977	135,000	90,023	33%	200,000	(44,977)	(135,000)	90,023	(200,000)
ENVIRONMENT, NATURAL RESOURCES & PLANNING	60,794	61,266	(472)	99%	113,000	851,842	937,629	85,787	91%	1,867,000	(791,048)	(876,363)	85,315	(1,754,000)
INFRASTRUCTURE & TRANSPORT	269,076	236,251	32,825	114%	486,000	770,320	740,970	(29,350)	104%	1,530,000	(501,244)	(504,719)	3,475	(1,044,000)
CHILDREN & ADULTS SOCIAL CARE	117,676	103,998	13,678	113%	208,000	1,434,173	1,579,586	145,413	91%	3,003,000	(1,316,497)	(1,475,588)	159,091	(2,795,000)
Total Recurrent	21,698,782	22,116,304	(417,522)	98%	46,056,000	20,650,894	22,372,406	1,721,512	92%	45,801,000	1,047,888	(256,102)	1,303,990	255,000
Capital														
POLICE	0	0	0	0%	0	0	0	0	0%	30,000	0	0	0	(30,000)
CORPORATE FINANCE	0	0	0	0%	0	0	0	0	0%	50,000	0	0	0	(50,000)
CHILDREN & ADULTS SOCIAL CARE	0	0	0	0%	0	0	0	0	0%	0	0	0	0	0
EDUCATION	0	0	0	0%	0	17,311	0	(17,311)	0%	0	(17,311)	0	(17,311)	0
HEALTH	0	0	0	0%	0	0	0	0	0%	0	0	0	0	0
INFRASTRUCTURE & TRANSPORT	0	0	0	0%	0	27,185	27,185	0	100%	175,000	(27,185)	(27,185)	0	(175,000)
Total Capital	0	0	0	0%	0	44,496	27,185	(17,311)	164%	255,000	(44,496)	(27,185)	(17,311)	(255,000)
Movement on Consolidated Fund	21,698,782	22,116,304	(417,522)	98%	46,056,000	20,695,390	22,399,591	1,704,201	92%	46,056,000	1,003,392	(283,287)	1,286,679	0



CONSOLIDATED FUND VARIANCE SUMMARY REPORT PERIOD 6 (SEPTEMBER 2019)

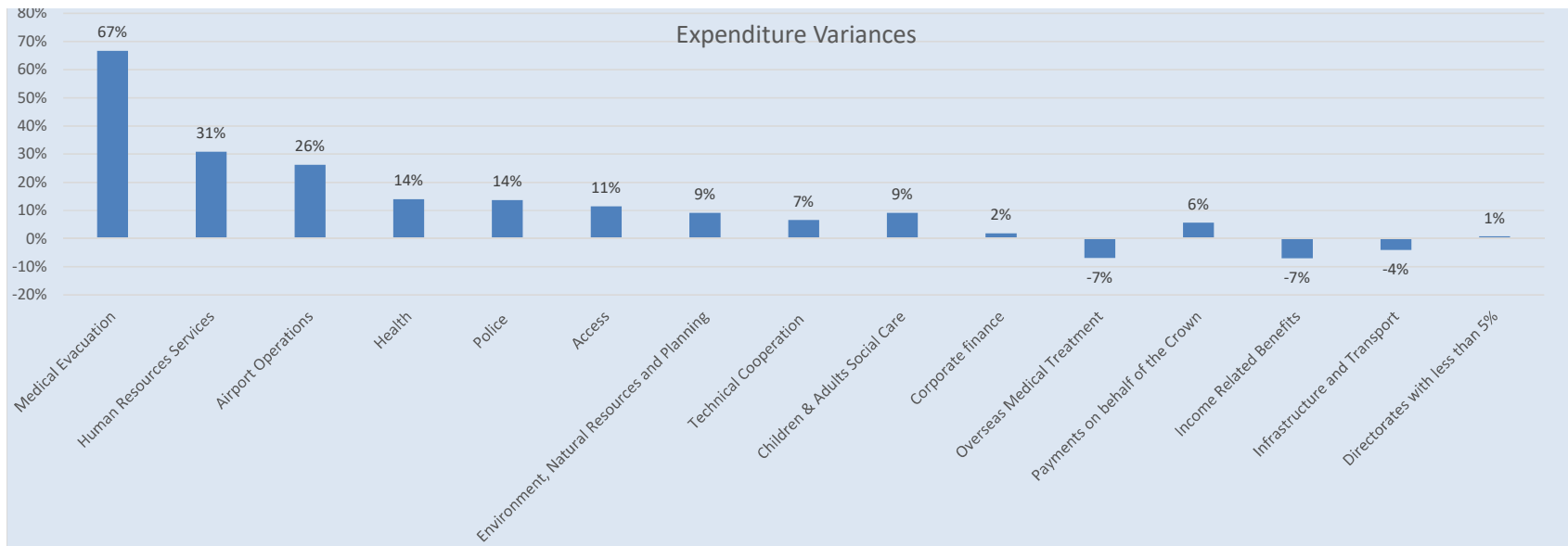


REVENUE:

Overall revenue for the 6 months period ending September 2019 reflected an under collection of just £418k

We reported an over-collection of revenue in 4 directorates (Police, Health, I&T and CASC) totalling £84,500. The position to date has however been reduced by under collection of customs revenue and less than expected receipts in Grant In Aid amounting to circa £144,000 and £351,000 respectively.

Please refer to the variance explanation report for detail.



EXPENDITURE:

Overall expenditure for the 6 months period ending September 2019, reflected an under spend by eight percent (£1,721,512).

The reasons for the underspend included timing differences between budgeted expenditure and actual costs due to contracts and overseas procurement being delayed. Also noted was a saving in salaries due to vacant posts as a result of high staff turnover. The largest underspends were noted under Airport Operations, Technical Co-operation, Health, Payments on Behalf of the Crown, Childrens and Adults Social Care, Police and Human Resources Services (458,000; £290,000; £273,000; £155,000; £145,000; £131,000 and £103,000 respectively).

Please refer to the variance explanation report for detail.



CONSOLIDATED FUND VARIANCE EXPLANATION REPORT PERIOD 6 (SEPTEMBER 2019)

Head

REVENUE					
YEAR TO DATE					
Actual	Approved Budget	Variance A - AB Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	%	Explanations of variances >5%	
Corporate Support, Policy & Planning	136,596	139,100	(2,504)	(2%)	N/A
Police	180,093	170,964	9,129	5%	Immigration fees for the first two months of the year were higher than anticipated, this is partly attributable to two cruise ship arrivals.
Corporate Finance	4,923,466	5,067,539	(144,073)	(3%)	The under collection of customs duty was mainly due to less items being imported to the Island in respect to alcohol, fuel and other items of £384k. Revenue generated from excise and liquor duty was also under collected by £140k which was due to importation of items attracting lower duty charges. This was however off-set by favourable collections in Customs duty for Tobacco of £218k and Diesel £115k. Revenue Services recognised an over collection of income taxes by a total of £52k.
Payments on behalf of the Crown	13,845,660	14,197,002	(351,342)	(2%)	N/A
Airport Operations	1,743,334	1,744,000	(666)	(0%)	N/A
Education	108,744	111,700	(2,956)	(3%)	N/A
Health	313,344	284,484	28,860	10%	Dental and hospital fees were slightly higher than budgeted, in addition there was more than expected revenue from water testing. Some of the extra hospital fees are in relation to revenue from treating a crew member on a passing ship at visitor rates.
Environment, Natural Resources and Planning	60,794	61,266	(472)	(1%)	N/A
Infrastructure and Transport	269,076	236,251	32,825	14%	The increase in income was mainly from leased property/land, £17k more than anticipated.
Children & Adults Social Care	117,676	103,998	13,678	13%	The over collection is due to the actual revenue being higher than budgeted at the Princess Royal Community Care Centre, notably the budgeted average Board and lodging fees was £45 compared to an actual of £60 per week.
TOTAL RECURRENT INCOME	21,698,782	22,116,304	(417,522)	(2%)	

EXPENDITURE						
YEAR TO DATE						
Actual	Approved Budget	Variance Favourable / (Adverse)	AB - A	Variance Favourable / (Adverse)	AB - A	
£	£	£		£	%	Explanations of variances >5%
Corporate Support, Policy & Planning	774,740	754,952	(19,788)		(3%)	N/A
Human Resources Services	230,670	333,686	103,016		31%	The underspend is a result of various staff trainings (on-site and distance learning) that did not happen at the time initially planned. The courses are expected to take place in the second half of the financial year.
Technical Cooperation	4,126,059	4,416,454	290,395		7%	The underspend is due to vacant TC posts and a timing difference on consultancy fees to be spent later in the year (£262k and £122k respectively). This is off-set by higher than budgeted expenses for advertising vacant posts (£48k) and additional travel costs for Locums (£46k)
Police	823,971	955,072	131,101		14%	The underspend is largely attributable to employee related costs (notably in Police Operations & Immigration) amounting to £68k, as well as a timing difference between planned spend and actual spend on supplies and services mostly imported amounting to £62k.
Corporate finance	641,619	653,913	12,294		2%	N/A
Payments on behalf of the Crown	2,575,382	2,730,033	154,651		6%	The actual for IT Replacement is £70k lower than anticipated to date. Public pensions expenditure is currently lower than budget resulting in £37k underspend. Contingency funds of 30k earmarked for Draught relief are yet to be utilised. Expenditure on external contracts were lower than budgeted resulting in an underspend of £144k. These were off-set by a net overspend on payments to the St Helena Hotel Development (£150k).
Economic Development	465,000	465,000	0		0%	N/A
Pensions	670,629	672,510	1,881		0%	N/A
Basic Island Pension	1,238,576	1,229,638	(8,938)		(1%)	N/A
Income Related Benefits	310,608	290,360	(20,248)		(7%)	The overspend was due to income related benefit claims which are demand led.
Access	314,001	354,564	40,563		11%	Savings were made on the Rupert's to Jamestown barge costs, these are dependant on volume of goods transported. The average monthly cost amounted to £33k compared to an budgeted cost of £41k per month resulting in an underspend of £49k.
Airport Operations	1,291,940	1,750,000	458,060		26%	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 to cover insurance and other planned capital expenditure.

	Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	
	£	£	£	%	Explanations of variances >5%
Education	1,602,152	1,667,360	65,208	4%	The underspend is mainly due to an underspend on Student Scholarship Scheme and Allowances resulting from student drop out and students not returning as planned. About £20k of the saving relates to teacher vacancies at both primary and secondary schools.
Health	1,682,864	1,955,679	272,815	14%	The underspend has been largely due to savings on employee related costs amounting to £53k, mostly due to vacancies. £126k savings relate to outstanding orders for medical equipment, supplies, other materials and the associated customs duty. A £20k underspend on the Patient Source contract is a result of phasing mismatch. £40k relates to the Chronic Disease Management programme and is expected to be utilised in the next half of the financial year.
Overseas Medical Treatment	801,372	750,000	(51,372)	(7%)	44 patients have been referred during this period this is in addition to 7 patients from previous financial year. Of the 44 referred 10 are critical receiving high cost treatment, hence the overspend.
Medical Evacuation	44,977	135,000	90,023	67%	The underspend is due to one aeromed flight having occurred between April - Sep. This is a unpredictable cost for which the underspend could be used in the future.
Environment, Natural Resources and Planning	851,842	937,629	85,787	9%	The underspend is mostly due to vacancies in the Fisheries and Environmental Advisory Sections and costs associated with the posts totalling £45k. There is a timing difference between budgeted contract work (£11k) and procurement (£32k) not being completed and billed as forecasted.
Infrastructure and Transport	770,320	740,970	(29,350)	(4%)	The overspend was due to the general maintenance for GLH & Buildings (£22k) as well as purchase of petrol jetter for unblocking sewerage pipes (£6k).
Children & Adults Social Care	1,434,173	1,579,586	145,413	9%	The underspend is a result of £35k vacancy savings at the CCC, most of the vacancies have since been filled. There was also an expectation that by July fifteen overseas carers would have been contracted to St Helena, this has not happened resulting in a saving of £42k. In addition there was an expectation that by September a contract for the redesign of Barn view would have been concluded - the arrangement is still under consideration and could happen later in the year, this has caused a £64k underspend.
TOTAL RECURRENT EXPENDITURE	20,650,894	22,372,406	1,721,512	8%	

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	17,311	0	(17,311)	0%	The overspend related to the replacement of a server to be funded from the re-current budget.
Infrastructure and Transport	27,185	27,185	0	0%	
TOTAL CAPITAL EXPENDITURE	44,496	27,185	(17,311)		
TOTAL EXPENDITURE	20,695,390	22,399,591	1,704,201		

PERFORMANCE MEASURES

Local Revenue as a Percentage of total expenditure:

	Annual Approved Budget	Actual to Period 6 (30/09/19)	Budget to Period 6 (30/09/19)
Total Local revenue	12,750,000	7,853,122	6,175,302
Total Expenditure	46,056,000	20,695,390	22,399,591
Percentage	28%	38%	28%