



St Helena Government
BUDGET EXECUTION REPORT
FOR PERIOD 7 (OCTOBER 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 - October 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.

The annual forecasting process commenced in September 19 for the appropriation period 2019/20

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. If no cost saving is achievable then the Directorate can apply to the government for supplementary appropriation.

Outline of Approved budget

The total Original Approved Budget for the year is as follows:

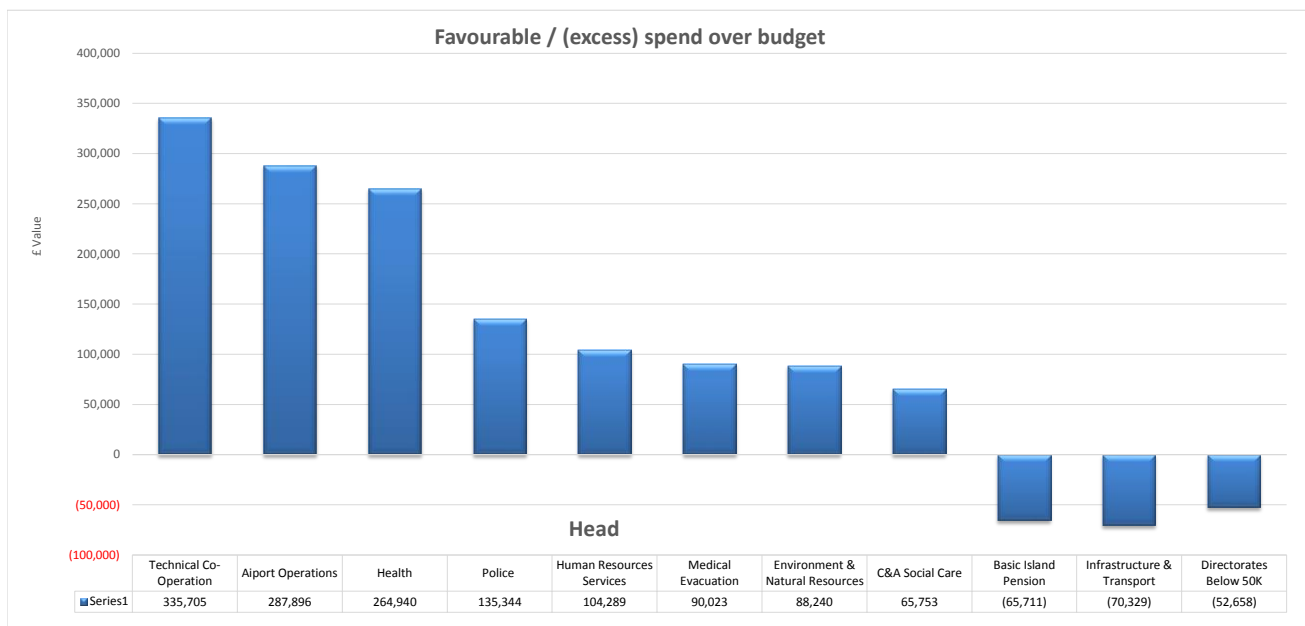
	Actuals: Year to Date £'000	Budgeted: Year to Date £'000	Actual Vs Budget £'000	%	Forecast to Year End £'000	Approved Budget £'000
Total Recurrent Income:	<u>25,967</u>	<u>26,354</u>	<u>(387)</u>	-1%	<u>46,285</u>	<u>46,056</u>
Total Expenditure:	<u>(24,839)</u>	<u>(26,005)</u>	<u>(1,166)</u>	4%	<u>(46,718)</u>	<u>(46,056)</u>
Recurrent Expenditure:	(24,783)	(25,967)	(1,183)	5%	(46,333)	(45,801)
Capital Expenditure	(56)	(38)	17	100%	(384)	(255)
Total budget Surplus/(Deficit)	<u>1,128</u>	<u>349</u>	<u>779</u>	223%	<u>(433)</u>	<u>0</u>

Revenue

Revenue had an adverse variance of (£387k) -1.5% for the period April - October 2019.

Expenditure (Recurrent)

A favourable variance of £1,183k (4.6%) was achieved for the period April - October 2019. The diagram below shows the heads of appropriation with variances above £50k. Detailed review can be found on pages 5 - 8.



Performance Against Budget

To date we have recorded a surplus of £1,183k being 67% higher than the budgeted surplus of £387k (excluding capital). The higher surplus has been mainly due to significant underspends in Technical Co-operations, Airport Operations, Health, Police, Human Resource Services, Medical Evacuation, ENRP and CASC. Overspend in Basic Island Pension and Infrastructure & Transport reduced the overspend.

The Budget Execution Report on page 3 and 4 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 5 and 6. Detailed explanations for the budget variances are included on the Variance Explanation report on pages 7 - 8.

CONSOLIDATED FUND BUDGET EXECUTION REPORT PERIOD 7 (OCTOBER 2019)

REVENUE

	REVENUE								
	YEAR TO DATE					FULL YEAR			
	Actual	Approved Budget	(1) Variance A - AB	A / AB	Budget - Remainder of the year	Forecast	Approved Budget	(2) Variance F-AB	A - AB
£	£	£	%	£	£	£	£	£	£
CORPORATE SUPPORT, POLICY & PLANNING	159,676	160,869	(1,193)	99%	130,131	287,103	291,000	(3,897)	(131,324)
POLICE	211,188	201,584	9,604	105%	175,416	365,458	377,000	(11,542)	(165,812)
CORPORATE FINANCE	6,540,119	6,476,224	63,895	101%	5,066,776	11,548,131	11,543,000	5,131	(5,002,881)
PAYMENTS ON BEHALF OF THE CROWN	15,984,695	16,552,169	(567,474)	97%	12,189,831	28,870,043	28,742,000	128,043	(12,757,305)
AIRPORT OPERATIONS	2,035,000	2,037,000	(2,000)	100%	1,463,000	3,500,000	3,500,000	0	(1,465,000)
EDUCATION	125,340	130,050	(4,710)	96%	96,950	207,009	227,000	(19,991)	(101,660)
HEALTH	370,820	331,902	38,918	112%	237,098	600,217	569,000	31,217	(198,180)
ENVIRONMENT, NATURAL RESOURCES & PLANNING	94,088	67,531	26,557	139%	45,469	136,976	113,000	23,976	(18,912)
INFRASTRUCTURE & TRANSPORT	306,811	275,292	31,519	111%	210,708	530,634	486,000	44,634	(179,189)
CHILDREN & ADULTS SOCIAL CARE	138,978	121,332	17,646	115%	86,668	239,259	208,000	31,259	(69,022)
Total Recurrent Revenue	25,966,715	26,353,953	(387,238)	99%	19,702,047	46,284,831	46,056,000	228,831	(20,089,285)

EXPENDITURE

	Actual	Approved Budget	(1) Variance AB - A	A / AB	Budget - Remainder of the year	Forecast	Approved Budget	(2) Variance AB-F	AB - A
	£	£	£	%	£	£	£	£	£
	CORPORATE SUPPORT, POLICY & PLANNING	903,684	890,972	(12,712)	101%	646,028	1,592,384	1,537,000	(55,384)
HUMAN RESOURCES SERVICES	283,150	387,439	104,289	73%	148,561	567,164	536,000	(31,164)	252,850
TECHNICAL CO-OPERATION	4,819,385	5,155,090	335,705	93%	3,467,910	8,671,042	8,623,000	(48,042)	3,803,615
POLICE	979,280	1,114,624	135,344	88%	733,376	1,813,999	1,848,000	34,001	868,720
CORPORATE FINANCE	756,853	763,162	6,309	99%	564,838	1,361,185	1,328,000	(33,185)	571,147
PAYMENTS ON BEHALF OF THE CROWN	3,160,905	3,112,080	(48,825)	102%	4,049,920	7,162,000	7,162,000	0	4,001,095
ECONOMIC DEVELOPMENT	542,500	542,500	0	100%	387,500	930,000	930,000	0	387,500
PENSIONS	769,545	793,360	23,815	97%	496,640	1,355,877	1,290,000	(65,877)	520,455
BASIC ISLAND PENSION	1,484,524	1,418,813	(65,711)	105%	1,029,187	2,519,404	2,448,000	(71,404)	963,476
INCOME RELATED BENEFITS	374,845	335,031	(39,814)	112%	215,969	649,184	551,000	(98,184)	176,155
ACCESS	366,710	409,972	43,262	89%	302,028	727,960	712,000	(15,960)	345,290
AIRPORT OPERATIONS	1,753,771	2,041,667	287,896	86%	1,458,333	3,500,000	3,500,000	0	1,746,229
EDUCATION	1,980,178	1,985,405	5,227	100%	1,364,595	3,408,353	3,350,000	(58,353)	1,369,822
HEALTH	1,986,437	2,251,377	264,940	88%	1,634,623	3,825,235	3,886,000	60,765	1,899,563
OVERSEAS MEDICAL TREATMENT	904,920	875,000	(29,920)	103%	625,000	1,632,921	1,500,000	(132,921)	595,080
MEDICAL EVACUATION	44,977	135,000	90,023	33%	65,000	134,977	200,000	65,023	155,023
ENVIRONMENT, NATURAL RESOURCES & PLANNING	1,003,211	1,091,451	88,240	92%	775,549	1,885,958	1,867,000	(18,958)	863,789
INFRASTRUCTURE & TRANSPORT	927,804	857,475	(70,329)	108%	672,525	1,577,395	1,530,000	(47,395)	602,196
CHILDREN & ADULTS SOCIAL CARE	1,740,666	1,806,419	65,753	96%	1,196,581	3,018,157	3,003,000	(15,157)	1,262,334
Total Recurrent Expenditure	24,783,345	25,966,837	1,183,492	95%	19,834,163	46,333,194	45,801,000	(532,194)	21,017,655

SURPLUS/(DEFICIT)

1,183,370	387,116	796,254	306%	(132,116)	(48,363)	255,000	303,363	48,363
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ANALYSIS OF SURPLUS/(DEFICIT)

	Actual	Approved Budget	(1) Variance A - AB	A / AB	Budget - Remainder of the year	Forecast	Approved Budget	(2) Variance F-AB	A - AB
	£	£	£	%	£	£	£	£	£
	CORPORATE SUPPORT, POLICY & PLANNING	(744,008)	(730,103)	(13,905)	102%	(515,897)	(1,305,281)	(1,246,000)	(59,281)
HUMAN RESOURCES SERVICES	(283,150)	(387,439)	104,289	73%	(148,561)	(567,164)	(536,000)	(31,164)	252,850
TECHNICAL CO-OPERATION	(4,819,385)	(5,155,090)	335,705	93%	(3,467,910)	(8,671,042)	(8,623,000)	(48,042)	3,803,615
POLICE	(768,092)	(913,040)	144,948	84%	(557,960)	(1,448,541)	(1,471,000)	22,459	702,908
CORPORATE FINANCE	5,783,266	5,713,062	70,204	101%	4,501,938	10,186,946	10,215,000	(28,054)	(4,431,734)
PAYMENTS ON BEHALF OF THE CROWN	12,823,790	13,440,089	(616,299)	95%	8,139,911	21,708,043	21,580,000	128,043	(8,756,210)
ECONOMIC DEVELOPMENT	(542,500)	(542,500)	0	100%	(387,500)	(930,000)	(930,000)	0	387,500
PENSIONS	(769,545)	(793,360)	23,815	97%	(496,640)	(1,355,877)	(1,290,000)	(65,877)	520,455
BASIC ISLAND PENSION	(1,484,524)	(1,418,813)	(65,711)	105%	(1,029,187)	(2,519,404)	(2,448,000)	(71,404)	963,476
INCOME RELATED BENEFITS	(374,845)	(335,031)	(39,814)	112%	(215,969)	(649,184)	(551,000)	(98,184)	176,155
ACCESS	(366,710)	(409,972)	43,262	89%	(302,028)	(727,960)	(712,000)	(15,960)	345,290
AIRPORT OPERATIONS	281,229	(4,667)	285,896	-6026%	4,667	0	0	0	281,229
EDUCATION	(1,854,838)	(1,855,355)	517	100%	(1,267,645)	(3,201,344)	(3,123,000)	(78,344)	1,268,162
HEALTH	(1,615,617)	(1,919,475)	303,858	84%	(1,397,525)	(3,225,018)	(3,317,000)	91,982	1,701,383
OVERSEAS MEDICAL TREATMENT	(904,920)	(875,000)	(29,920)	103%	(625,000)	(1,632,921)	(1,500,000)	(132,921)	595,080
MEDICAL EVACUATION	(44,977)	(135,000)	90,023	33%	(65,000)	(134,977)	(200,000)	65,023	155,023
ENVIRONMENT, NATURAL RESOURCES & PLANNING	(909,123)	(1,023,200)	114,797	89%	(730,080)	(1,748,981)	(1,754,000)	5,019	844,877
INFRASTRUCTURE & TRANSPORT	(620,992)	(582,183)	(38,809)	107%	(461,817)	(1,046,760)	(1,044,000)	(2,760)	423,008
CHILDREN & ADULTS SOCIAL CARE	(1,601,688)	(1,685,087)	83,399	95%	(1,109,913)	(2,778,898)	(2,795,000)	16,102	1,193,312
SURPLUS/(DEFICIT)	1,183,370	387,116	796,254	306%	(132,116)	(48,363)	255,000	(303,363)	928,370

CONSOLIDATED FUND BUDGET EXECUTION REPORT PERIOD 7 (OCTOBER 2019)

CAPITAL REVENUE

POLICE
CORPORATE FINANCE
CHILDREN & ADULTS SOCIAL CARE
EDUCATION
HEALTH
INFRASTRUCTURE & TRANSPORT
Total Capital Revenue
Movement on Consolidated Revenue Fund

REVENUE							
YEAR TO DATE					FULL YEAR		
Actual £	Approved Budget £	(1) Variance A - AB £	A / AB %	Budget - Remainder of the year £	Forecast £	Approved Budget £	(2) Variance F-AB £
0	0	0	0%	0	0	0	0
0	0	0	0%	0	0	0	0
0	0	0	0%	0	0	0	0
0	0	0	0%	0	0	0	0
0	0	0	0%	0	0	0	0
0	0	0	100%	0	0	0	0
0	0	0	0%	0	0	0	0
25,966,715	26,353,953	(387,238)	99%	19,702,047	46,284,831	46,056,000	228,831

CAPITAL EXPENDITURE

POLICE
CORPORATE FINANCE
CHILDREN & ADULTS SOCIAL CARE
EDUCATION
HEALTH
INFRASTRUCTURE & TRANSPORT
Total Capital Expenditure
Movement on Consolidated Expenditure Fund

Actual £	Approved Budget £	(1) Variance AB - A £	A / AB %	Budget - Remainder of the year £	Forecast £	Approved Budget £	(2) Variance AB-F £
0	0	0	0%	30,000	63,980	30,000	(33,980)
0	0	0	0%	50,000	20,170	50,000	29,830
0	0	0	0%	0	130,000	0	(130,000)
17,311	0	(17,311)	0%	0	17,311	0	(17,311)
0	0	0	0%	0	0	0	0
38,419	38,419	0	100%	136,581	153,003	175,000	21,997
55,730	38,419	(17,311)	145%	216,581	384,464	255,000	(129,464)
24,839,075	26,005,256	1,166,181	96%	20,050,744	46,717,658	46,056,000	(661,658)

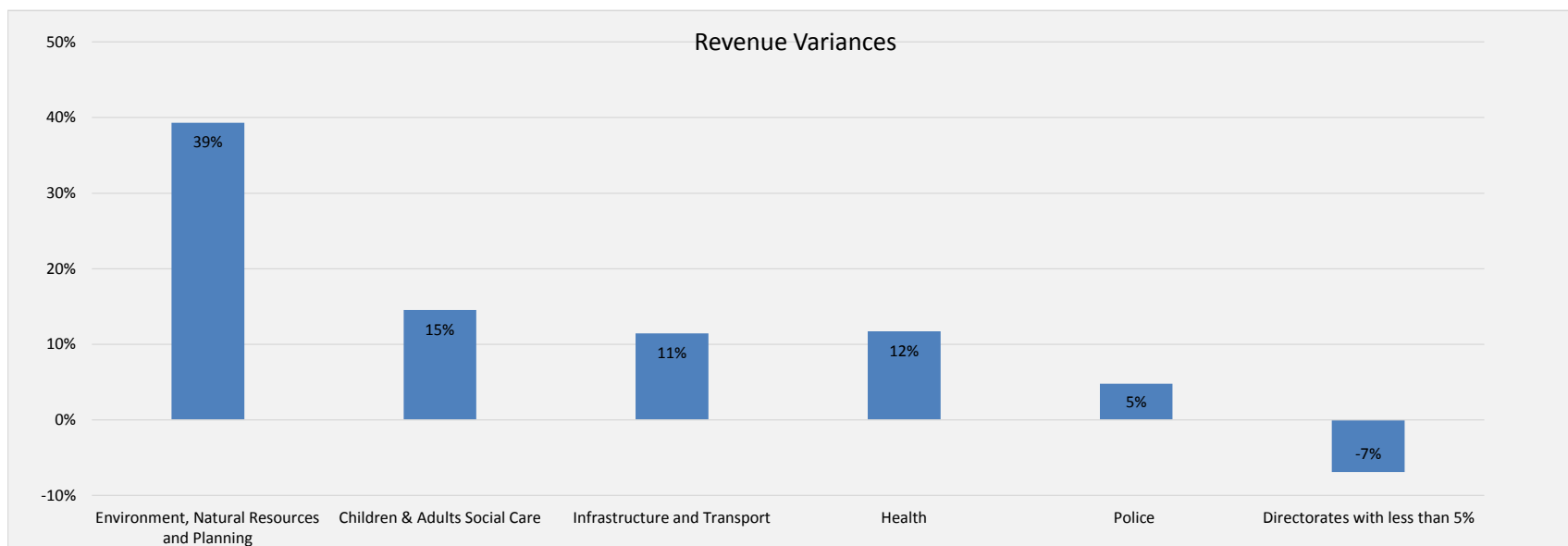
ANALYSIS OF SURPLUS/(DEFICIT)

POLICE
CORPORATE FINANCE
CHILDREN & ADULTS SOCIAL CARE
EDUCATION
HEALTH
INFRASTRUCTURE & TRANSPORT
Movement on Consolidated Fund

Actual £	Approved Budget £	(1) Variance A - AB £	A / AB %	Budget - Remainder of the year £	Forecast £	Approved Budget £	(2) Variance F-AB £
0	0	0	0%	(30,000)	(63,980)	(30,000)	(33,980)
0	0	0	0%	(50,000)	(20,170)	(50,000)	29,830
0	0	0	0%	0	(130,000)	0	(130,000)
(17,311)	0	(17,311)	0%	0	(17,311)	0	(17,311)
0	0	0	0%	0	0	0	0
(38,419)	(38,419)	0	100%	(136,581)	(153,003)	(175,000)	21,997
(55,730)	(38,419)	(17,311)	145%	(216,581)	(384,464)	(255,000)	(129,464)
1,127,641	348,697	778,944	323%	(216,581)	(432,827)	0	(432,827)



CONSOLIDATED FUND VARIANCE SUMMARY REPORT PERIOD 7 (OCTOBER 2019)

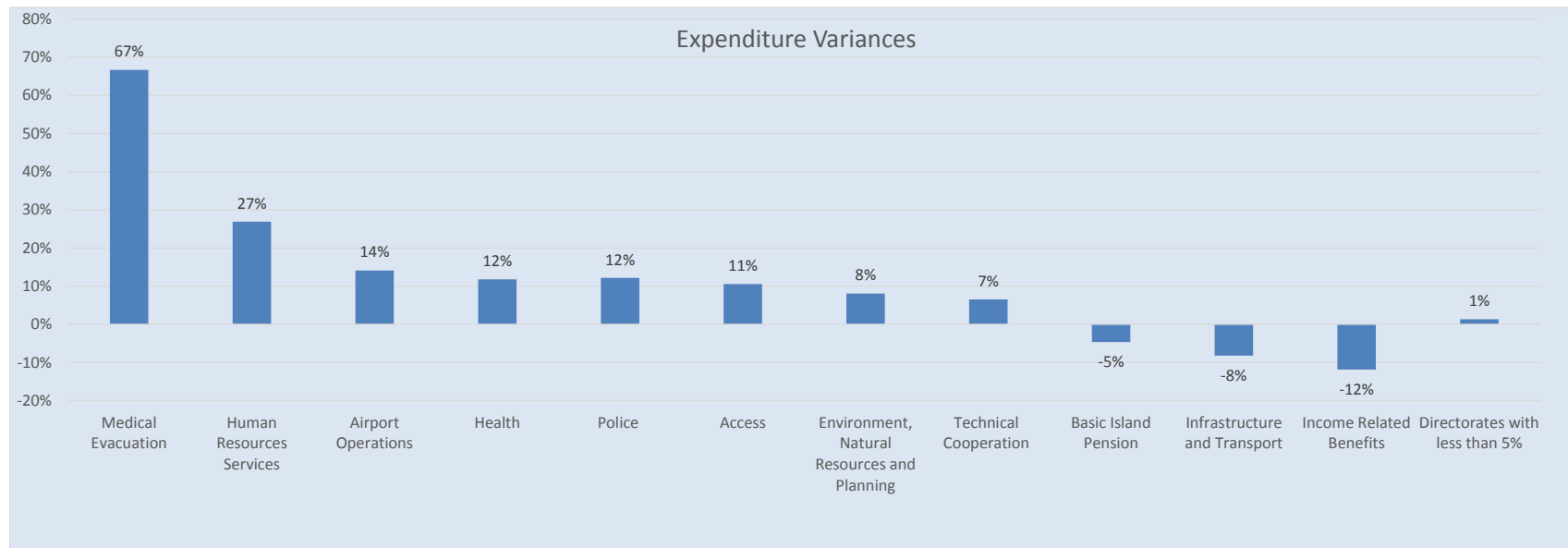


REVENUE:

Overall revenue for the 7 months period ending October 2019 reflected an under collection of just £387k

We reported an over-collection of revenue in 5 directorates (ENRP, CASC, I&T, Health and Police) totalling £124,244. The position to date has however been reduced by a net under collection of £511,482 contributed mainly by Payments on behalf of the Crown of £567,474.

Please refer to the variance explanation report for detail.



EXPENDITURE:

Overall expenditure for the 7 months period ending October 2019, reflected an under spend by 5 percent (£1,183,492).

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 and time taken to place people in post. The largest underspends were noted under Technical Co-operation, Airport Operations, Health, Police and Human Resources (£335,705; £287,896; £264,940; £135,344 and £104,289 respectively).

Please refer to the variance explanation report for detail.



CONSOLIDATED FUND VARIANCE EXPLANATION REPORT PERIOD 7 (OCTOBER 2019)

REVENUE						
YEAR TO DATE						
Head	Actual	Approved Budget	Variance A - AB Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
	£	£	£	%	Explanations of variances >5%	
Police	211,188	201,584	9,604	5%	Notable caused included Immigration fees collected exceed budget by £19k due to higher numbers in arrivals however this was reversed by under collection from the agreement with Ascension Island Government due to over budgeted income by £11k.	
Health	370,820	331,902	38,918	12%	Medical and hospital fees were slightly higher than budgeted by £12k, in addition there was more than expected revenue from water testing of £16k. 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	94,088	67,531	26,557	39%	Reimbursement for VMS from Argos vessels paid earlier than expected amounting to £13k. The increase was also due to a £11k miscellaneous revenue collected that was not budgeted for.	
Infrastructure and Transport	306,811	275,292	31,519	11%	The increase in income was mainly from leased property/land, £18k more than anticipated possibly due to an under budget on house plots. Roads performed additional work which was previously not budgeted for resulting in a excess revenue of £27k.	
Children & Adults Social Care	138,978	121,332	17,646	15%	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	25,966,715	26,353,953	(387,238)	(1%)		

EXPENDITURE						
YEAR TO DATE						
	Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
	£	£	£	%	Explanations of variances >5%	
Human Resources Services	283,150	387,439	104,289	27%	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	4,819,385	5,155,090	335,705	7%	The underspend is due to vacant TC posts and a timing difference on consultancy fees to be spent later in the year (£307k and £141k respectively). This is off-set by higher than budgeted expenses for advertising vacant posts (£50k) and additional travel costs for Locums (£53k)	
Police	979,280	1,114,624	135,344	12%	The underspend is due to vacancy savings £61k and training mix changes resulting in timing differences of £20k. Supplies and services had an under spend due to timing of procurement and changes in training requirements by £49k	
Basic Island Pension	1,484,524	1,418,813	(65,711)	(5%)	The increase is due to budget being based on a 4 week month, October was a 5 week month and as such resulted in an budgeted overspend. This should even out in the shorter months. There has been an uplift in payouts during the period.	
Income Related Benefits	374,845	335,031	(39,814)	(12%)	The increase is due to budget being based on a 4 week month, October was a 5 week month and as such resulted in an budgeted overspend. This should even out in the shorter months. There has been an uplift in payouts during the period.	

EXPENDITURE					
YEAR TO DATE					
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	£	%	
				Explanations of variances >5%	
Access	366,710	409,972	43,262	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 £36k compared to an budgeted cost of £42k per month resulting in an underspend of £42k.
Airport Operations	1,753,771	2,041,667	287,896	14%	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.
Health	1,986,437	2,251,377	264,940	12%	The underspend has been largely due to savings on employee related costs amounting to £47k, mostly due to vacancies. £53k savings relate to outstanding orders for medical equipment, supplies, other materials and the associated customs duty. A £17k underspend on the Patient Source contract is a result of phasing mismatch. £62k relates to the Chronic Disease Management programme and is expected to be utilised in the next half of the financial year.
Medical Evacuation	44,977	135,000	90,023	67%	The underspend is due to one aeromed flight having occurred between April - Oct. This is a unpredictable cost for which the underspend could be used in the future.
Environment, Natural Resources and Planning	1,003,211	1,091,451	88,240	8%	The underspend is mostly due to employee and related costs due to vacancies totalling £41k. There is a timing difference between budgeted contract work (£16k) and procurement (£25k) not being completed and billed as forecasted.
Infrastructure and Transport	927,804	857,475	(70,329)	(8%)	The overspend was due to the general maintenance for GLH & Buildings (£32k) caused by an increase in cost of materials purchased and freight charges. An overspend on salaries of (£10k) due to I&T taking on a graduate as well as 4% savings not realised. The additional variance is due to depreciation charge for the first 2 quarters amounting to (£386k)
TOTAL RECURRENT EXPENDITURE	24,783,345	25,966,837	1,183,492	5%	

CAPITAL EXPENDITURE					
YEAR TO DATE					
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	£	%	
				Explanations of variances >5%	
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	38,419	38,419	0	0%	
TOTAL CAPITAL EXPENDITURE	55,730	38,419	(17,311)		
TOTAL EXPENDITURE	24,839,075	26,005,256	1,166,181		

Head

PERFORMANCE MEASURES

Local Revenue as a Percentage of total expenditure:

	Annual Approved Budget	Actual to Period 7 (30/10/19)	Budget to Period 7 (30/10/19)
Total Local revenue	12,750,000	9,982,020	7,764,784
Total Expenditure	46,056,000	24,839,075	26,005,256
Percentage	28%	40%	30%