



St Helena Government
BUDGET EXECUTION REPORT
FOR PERIOD 3 (JUNE 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 30 June 2020, period 3 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 was considered and approved 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

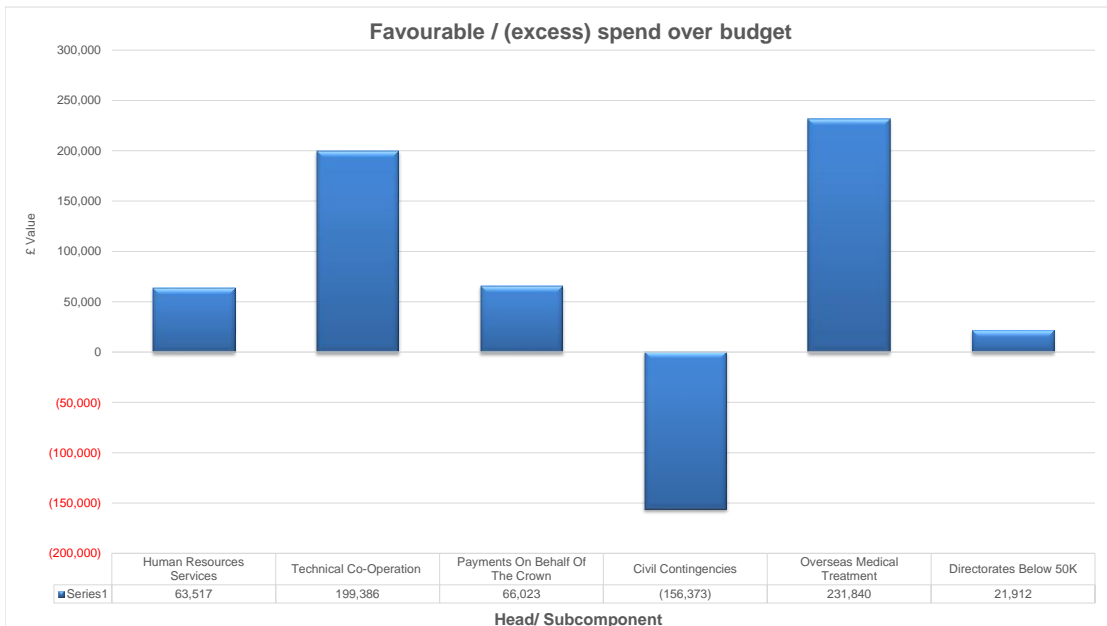
	Period to 30 June 20			
	Actual	Budget	Variance	
	£'000	£'000	£'000	%
Total Revenue	10,729	10,581	148	1%
Total Expenditure:	(11,109)	(11,535)	(426)	4%
Recurrent Expenditure	(10,498)	(11,129)	(631)	6%
Capital Expenditure	(611)	(406)	205	-50%
Total (Deficit)	<u>(380)</u>	<u>(954)</u>	<u>(574)</u>	60%

Total Revenue

Actual revenue had a favourable variance of 1% (£148k) for the period to 30 June 2020 compared to the budget to the same date.

Total Expenditure

A favourable variance of 4% (£426k) was achieved for the period to 30 June 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 deficit of £380k has been recorded being 60% less than the budgeted deficit of £954k. The reduced deficit has been mainly due to significant underspends on the Overseas Medical Treatment budget, Technical Co-operation, Human Resources and Payments on Behalf of the Crown.

Performance Measures

	Approved Budget	Actual to Period 3	Budget to Period 3
	£	£	£
Local revenue as a % of Total revenue			
Total Local revenue	3,518,000	3,225,641	3,073,000
Total revenue	11,026,000	10,725,651	10,581,000
	32%	30%	29%

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 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.



**BUDGET EXECUTION REPORT
PERIOD 3 (JUNE 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				FULL YEAR
	Actual £	Approved Budget £	(1) Variance A - AB £	A / AB %	Approved Budget £
Corporate Support, Policy & Planning	42,376	42,000	376	101%	189,000
Judicial Services	5,076	6,000	(924)	85%	39,000
Police	72,619	65,000	7,619	112%	312,000
Corporate Finance	2,594,145	2,509,000	85,145	103%	11,393,000
Payments On Behalf Of The Crown	6,691,486	6,720,000	(28,514)	100%	31,155,000
Civil Contingencies	3,077	-	3,077	0%	-
Airport Operations	866,622	875,000	(8,378)	99%	3,500,000
Education	50,833	52,000	(1,167)	98%	244,000
Health	155,935	147,000	8,935	106%	632,000
Environment, Natural Resources & Planning	41,323	13,000	28,323	318%	111,000
Infrastructure & Transport	142,466	90,000	52,466	158%	447,000
Children & Adults Social Care	62,769	62,000	769	101%	304,000
Sub-Total	10,728,728	10,581,000	147,728	101%	48,326,000

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

Corporate Support, Policy & Planning	300,468	335,000	34,532	90%	1,329,000
Judicial Services	27,168	39,000	11,832	70%	128,000
Human Resources Services	75,483	139,000	63,517	54%	6,743,000
Technical Co-operation	1,796,614	1,996,000	199,386	90%	1,996,000
Police	417,087	414,000	(3,087)	101%	1,862,000
Corporate Finance	373,878	393,000	19,122	95%	8,671,000
Payments On Behalf Of The Crown	1,320,977	1,387,000	66,023	95%	1,387,000
Civil Contingencies	438,549	486,000	47,451	90%	486,000
Economic Development	232,500	233,000	500	100%	897,000
Pensions	312,006	336,000	23,994	93%	1,290,000
Basic Island Pension	651,982	650,000	(1,982)	100%	2,649,000
Income Related Benefits	175,067	169,000	(6,067)	104%	885,000
Access	222,890	215,000	(7,890)	104%	1,007,000
Airport Operations	647,398	660,000	12,602	98%	3,500,000
Education	727,107	765,000	37,893	95%	3,375,000
Health	998,662	984,000	(14,662)	101%	3,878,000
Overseas Medical Treatment	143,160	375,000	231,840	38%	1,500,000
Medical Evacuation	98,058	50,000	(48,058)	196%	200,000
Environment, Natural Resources & Planning	351,725	390,000	38,275	90%	1,675,000
Infrastructure & Transport	393,699	352,000	(41,699)	112%	1,548,000
Children & Adults Social Care	793,312	761,000	(32,312)	104%	3,048,000
Sub-Total	10,497,790	11,129,000	631,210	94%	48,054,000

CAPITAL EXPENDITURE

Corporate Finance
Civil Contingencies
Education
Infrastructure & Transport
Sub-Total

Corporate Finance	-	-	0	0%	482,000
Civil Contingencies	578,824	375,000	(203,824)	154%	450,000
Education	-	-	0	0%	30,000
Infrastructure & Transport	32,081	31,000	(1,081)	103%	60,000
Sub-Total	610,905	406,000	(204,905)	150%	1,022,000

SURPLUS/(DEFICIT)

Total

(379,967)	(954,000)	574,033	40%	(750,000)
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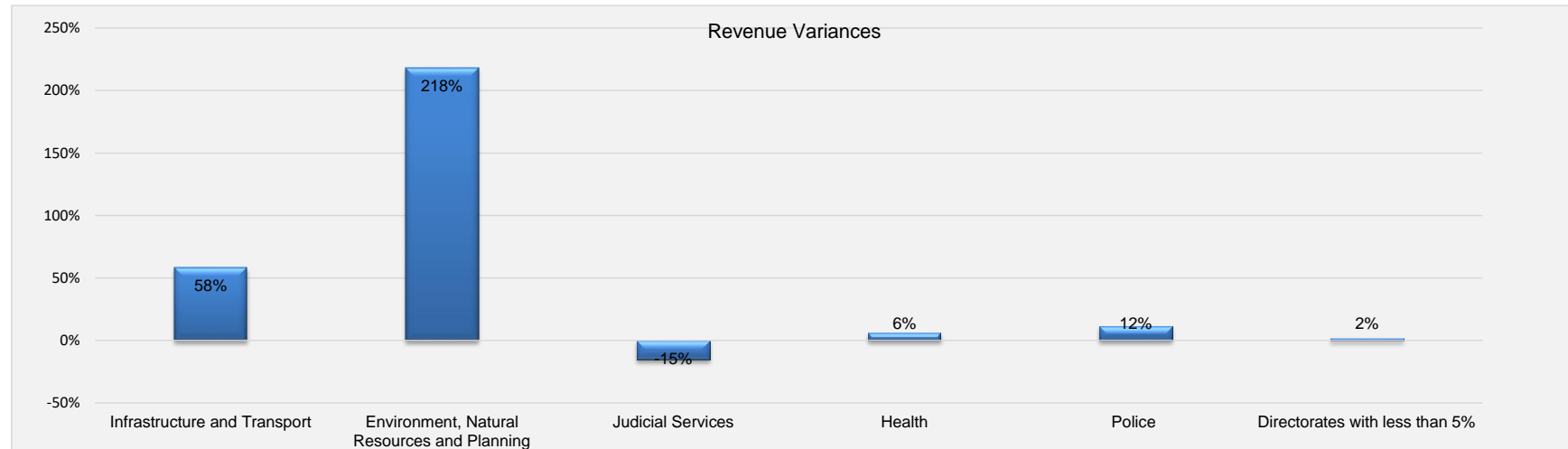
VARIANCE SUMMARY REPORT PERIOD 3 (JUNE 2020)

REVENUE:

Overall revenue for the 3 months period ending June 2020 was £10,728,728 representing an over collection of 1% (£147,728).

When compared to budgeted revenue for the 3 months period to 30 June 2020 Environment, Natural Resources & Planning, Infrastructure & Transport, Police and Health collected more revenue by 218%, 58%, 12% and 6% 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 15%, this was attributed to lower than expected court business.

Please refer to the Variance Explanation Report for further details.





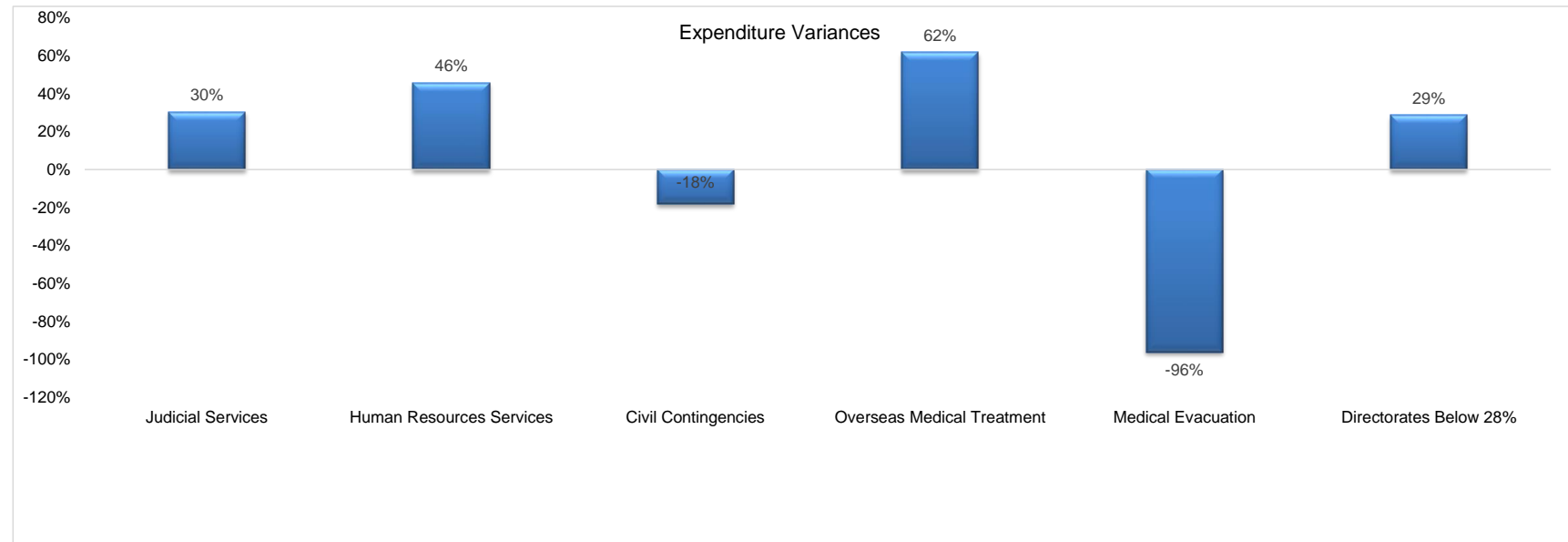
VARIANCE SUMMARY REPORT PERIOD 3 (JUNE 2020)

EXPENDITURE:

Overall expenditure for the 3 months period ending June 2020 was £11,108,695 an underspend of £426,305, 4% lower than budget.

When compared to budgeted expenditure the Overseas Medical Treatment budget, HR Services and Judicial Services had the highest savings 62%, 46% and 30% 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 Medical Evacuation budget was overspent by 96% because two medical evacuations were activated compared to the one evacuation budgeted, similarly the capital expenditure for COVID-19 preparedness was 16% more than planned.

Refer to the Variance Explanation Report for further details.



**VARIANCE EXPLANATION REPORT
PERIOD 3 (JUNE 2020)**

HEAD/ SUBCOMPONENT

REVENUE					
YEAR TO DATE					
Actual	Approved Budget	Variance A - AB Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		Explanations of variances > 5% and £5,000
£	£	£	£	%	
Police	72,619	65,000	7,619	12%	The higher revenue was due to a charge to Ascension Island Government for OTRIC Platform (£4k) and the remainder being immigration service fees for Saint Status Application, Saint Neutralisation and similar services.
Health	155,935	147,000	8,935	6%	The higher revenue is mainly due to increase Miscellaneous Receipts recorded (£5k) which consists of Eye Examinations services that are unpredictable. There was also smaller increase for Dental Fees & Fish/Food Testing Fees £2k.
Environment, Natural Resources and Planning	41,323	13,000	28,323	218%	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.
Infrastructure and Transport	142,466	90,000	52,466	58%	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 (£10k) for housing maintenance. The remainder relates to annual land registration/rental/licences fees received earlier than anticipated.
RECURRENT REVENUE BY EXCEPTION	412,343	315,000	97,343	31%	

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	300,468	335,000	34,532	10%	The under spend is mainly due to the COVID-19 lockdown, which has resulted in the closure of the UK Representative's office (£25k). Due to delayed budget approval conservative spending was maintained resulting in underspends in various areas across the budget notably Administrative expenses (£7k).
Judicial Services	27,168	39,000	11,832	30%	Due to the COVID-19 lockdown travel and accommodation (£8k) arrangements to St Helena were not made for the Chief Justice. Magistrates' attendance fees up to June, were lower than anticipated resulting in a £2k underspent. A vacancy saving on employee costs was achieved (£2k).

**VARIANCE EXPLANATION REPORT
PERIOD 3 (JUNE 2020)**

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
	£	£	£	£		
Technical Cooperation	1,796,614	1,996,000	199,386		10%	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	373,878	393,000	19,122		5%	The underspend relates to employee costs which were lower (£13k) due to vacancy savings. Property costs were also lower than expected (£7k)
Payments on behalf of the Crown	1,320,977	1,387,000	66,023		5%	The under spend is mainly due a decrease in the costs of school bus service resulting from school closures (£7k), less employer pensions contributions than anticipated (£21k). Increased administrative costs had been budgeted in anticipation of a possible COVID 19 incident on the Island resulting in an underspend (£16k). Spending under the IT replacement budget (£22k) was less than budgeted and contributed to the overall underspend but this is anticipated to be spent by the end of the financial year.
Civil Contingencies	438,549	486,000	47,451		10%	The expenditure projections were less than actual as no COVID cases were identified.
Pensions	312,006	336,000	23,994		7%	The provision for pensions benefits on retirement for new pensioners was not required.
Education	727,107	765,000	37,893		5%	The underspend has been mainly due to a lower number of Apprentices being enrolled as a result lower pay-out was made by £8k. Similarly a net reduced payment was made for accommodation for students on scholarships by £8k. Payments for Grounds Maintenance was £5k lower than anticipated. Recharges were underspent by £13k due to lower charge for IT and undercharge on other rechargers which will reverse from July 2020.
Overseas Medical Treatment	143,160	375,000	231,840		62%	Due to the COVID 19 pandemic there were no new/additional overseas medical referrals sent off Island as anticipated resulting in an underspend.
Medical Evacuation	98,058	50,000	(48,058)		(96%)	The overspend is due to there being two medical evacuations flights that were activated compared to a single evacuation flight budgeted for at an estimated cost of £50k.
Environment, Natural Resources and Planning	351,725	390,000	38,275		10%	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.
Infrastructure and Transport	393,699	352,000	(41,699)		(12%)	The overspend is due to increase in number of requests for reactive maintenance works, increased cost of materials and the payment for cost and freight of JoJo Tanks for Prince Andrew School (£21k). Employee costs being higher due to vacancy saving not achieved (£5k), Customs Duty (£7k) for items purchased in prior year which arrived in this current year.
RECURRENT EXPENDITURE BY EXCEPTION	6,283,409	6,904,000	620,591		9%	

CAPITAL EXPENDITURE						
YEAR TO DATE						
HEAD	Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	%	Explanations of variances > 5% and £5,000
	£	£	£	£		
Civil Contingencies	578,824	375,000	(203,824)		(54%)	The expenditure projections for construction works were less than the actual.
CAPITAL EXPENDITURE BY EXCEPTION	578,824	375,000	(203,824)		(54%)	