



St Helena Government

QUARTERLY PERFORMANCE REPORT

QUARTER 1 (APRIL - JUNE)

FINANCIAL YEAR ENDING 31 MARCH 2021

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- 2.0 - Budget Report - General Reserve
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1.0 Summary of Financial Performance of SHG

For the period ended 30 June 2020

Basis of preparation

The management accounts have been prepared on accruals basis except for the Budget Report which has been prepared on the modified cash basis and reconciled to the General Reserve (See 6.0). Also included is a Statement of Financial Position and Summary of Reserve balances. The opening Reserve balances have been extracted from the draft unaudited Financial Statements for the year ended 31 March 2020. These accounts do not include adjustments that are effected at the year end-for the elimination of internally generated recharges, changes in actuarial valuation on the Defined Pension Liability, changes in long term provisions and movements in equity held in subsidiaries, staff leave liability and the effect of capital expenditure financed by special funds on the capital reserve.

Current stage of the budget monitoring process

As a control mechanism budgets are 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.

In order to continuously monitor the overall position of SHG, Directorates are required to reforecast their expenditure needs and revenue on a monthly basis, commencing from June. Any predicted (overspend) / underspend of expenditure or revenue identified during the process is managed by the Directorate by making cost savings elsewhere if possible.

Changes in Net Assets/Reserves

The movement on the Consolidated Fund for the period to 30 June 2020 is a surplus of £256k, made up as follows:

Consolidated Fund Reserve	£'000	Note
General Reserve	(355)	8 & 6
Capital Reserve	611	8
Revaluation Reserve	0	8
Pension Reserve	0	8
Investment in Subsidiary Reserve	0	8
Aid Funded Infrastructure Reserve	0	8
Donated Asset Reserve	0	8
Litigation Reserve	0	8
	<u>256</u>	

The movement on Special Funds for the period to 30 June 2020 is a surplus of £2127k, made up as follows:

Special Fund Reserve	£'000	Note
Project Funds Received	3,600	9
Project Funds Applied	(1,786)	9
Funds applied to Capital Funding	0	9
Transfers between Reserves	313	9
	<u>2,127</u>	

Summary of Performance

	Actual	Year to Date Approved Budget	Variance		Forecast	Approved Budget
	£'000	£'000	£'000	%	£'000	£'000
Total Income	10,729	10,581	148	1%	48,777	48,326
Total Expenditure	11,109	11,535	426	(4%)	49,528	49,076
Recurrent Expenditure	10,498	11,129	631	(6%)	48,100	48,054
Capital Expenditure	611	406	(205)	50%	1,429	1,022
Total budget Surplus/(deficit)	(380)	(954)	574	(60%)	(751)	(750)

Revenue

Overall revenue for quarter 1 was £10.7m, reflecting an over collection of £148k which represents 1% of the budget.

The favourable variance is attributable to more than budget revenue collections by Environment, Natural Resources & Planning (ENRP), Infrastructure & Transport (I&T) and Corporate Finance Directorates. ENRP received a significant licence fee ahead of schedule and a substantial planning application fee was received which was not anticipated. I&T had increased revenues mainly due to COVID-19 related works performed by the directorate, while for Corporate Finance alcohol customs duty was higher than anticipated.

Please refer to the Variance Explanation Report for further details.

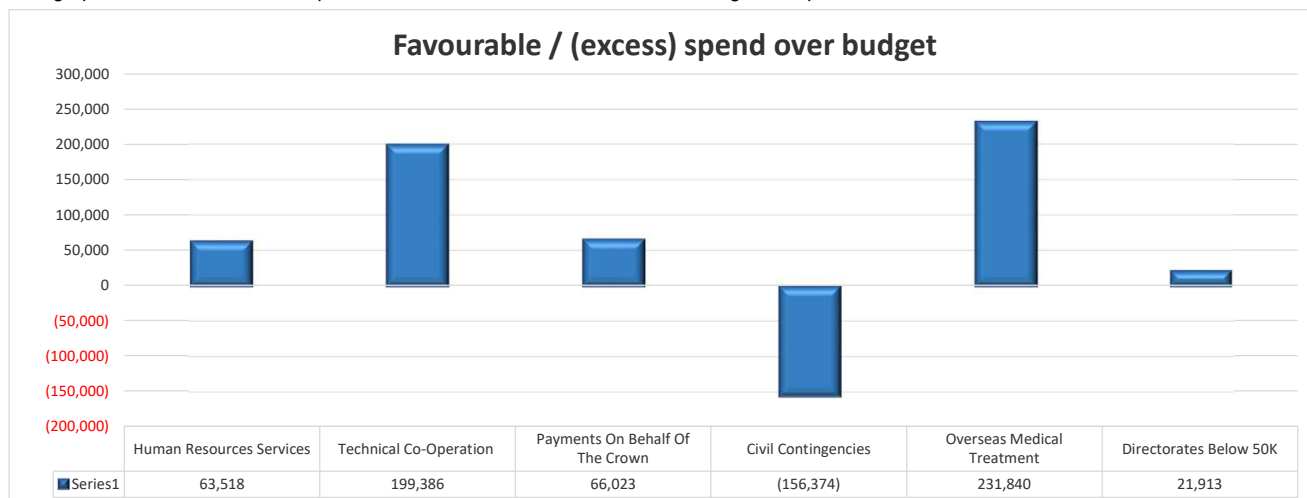
Expenditure

Overall expenditure for quarter 1 was £11.1m, reflecting an underspend of £426k which represents 4% of the budget.

The Overseas Medical Treatment and Technical Corporation budgets had the biggest savings. 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 overseas travel for some TC Officers has been postponed and recruitment deferred. The Medical Evacuation budget was overspent due to more medical evacuations being activated compared to budget, similarly the capital expenditure for COVID-19 preparedness was more than planned.

Refer to the Variance Explanation Report for further details.

The graph below is a visual description of the variances between actual and budgeted expenditure



2.0 Budget Report - General Reserve

HEAD/ SUBCOMPONENT

REVENUE

HEAD/ SUBCOMPONENT	YEAR TO DATE				FULL YEAR			
	Actual £	Approved Budget £	(1) Variance A - AB £	A / AB %	Forecast £	Approved Budget £	(2) Variance F-AB £	A / AB %
Corporate Support, Policy & Planning	42,376	42,000	376	101%	189,103	189,000	103	100%
Judicial Services	5,077	6,000	(923)	85%	35,309	39,000	(3,691)	(9%)
Police	72,619	65,000	7,619	112%	311,934	312,000	(66)	(0%)
Corporate Finance	2,594,144	2,509,000	85,144	103%	11,453,419	8,893,000	2,560,419	29%
Payments On Behalf Of The Crown	6,691,487	6,720,000	(28,513)	100%	28,655,000	31,155,000	(2,500,000)	(8%)
Civil Contingencies	3,077	0	3,077	100%	3,067,000	2,500,000	567,000	23%
Airport Operations	866,622	875,000	(8,378)	99%	3,284,000	3,500,000	(216,000)	(6%)
Education	50,833	52,000	(1,167)	98%	242,834	244,000	(1,166)	(0%)
Health	155,935	147,000	8,935	106%	641,370	632,000	9,370	1%
Environment, Natural Resources & Planning	41,323	13,000	28,323	318%	134,619	111,000	23,619	21%
Infrastructure & Transport	142,466	90,000	52,466	158%	499,181	447,000	52,181	12%
Children & Adults Social Care	62,769	62,000	769	101%	263,101	304,000	(40,899)	(13%)
Total	10,728,728	10,581,000	147,728	101%	48,776,870	48,326,000	450,870	101%

RECURRENT EXPENDITURE

Corporate Support, Policy & Planning	300,467	335,000	34,533	90%	1,353,137	1,329,000	(24,137)	102%
Judicial Services	27,168	39,000	11,832	70%	128,210	128,000	(210)	100%
Human Resources Services	75,482	139,000	63,518	54%	502,544	508,000	5,456	99%
Technical Co-operation	1,796,614	1,996,000	199,386	90%	8,536,612	8,231,000	(305,612)	104%
Police	417,087	414,000	(3,087)	101%	1,850,602	1,862,000	11,398	99%
Corporate Finance	373,878	393,000	19,122	95%	1,513,635	1,470,000	(43,635)	103%
Payments On Behalf Of The Crown	1,320,977	1,387,000	66,023	95%	6,847,176	7,024,000	176,824	97%
Civil Contingencies	438,549	486,000	47,451	90%	1,668,902	2,050,000	381,098	81%
Economic Development	232,500	233,000	500	100%	897,000	897,000	0	100%
Pensions	312,006	336,000	23,994	93%	1,290,000	1,290,000	(0)	100%
Basic Island Pension	651,982	650,000	(1,982)	100%	2,690,169	2,649,000	(41,169)	102%
Income Related Benefits	175,067	169,000	(6,067)	104%	968,793	885,000	(83,793)	109%
Access	222,890	215,000	(7,890)	104%	1,008,054	1,007,000	(1,054)	100%
Airport Operations	647,398	660,000	12,602	98%	3,284,000	3,500,000	216,000	94%
Education	727,107	765,000	37,893	95%	3,425,510	3,375,000	(50,510)	101%
Health	998,662	984,000	(14,662)	101%	3,953,395	3,878,000	(75,395)	102%
Overseas Medical Treatment	143,160	375,000	231,840	38%	1,489,402	1,500,000	10,598	99%
Medical Evacuation	98,058	50,000	(48,058)	196%	200,000	200,000	0	100%
Environment, Natural Resources & Planning	352,925	390,000	37,075	90%	1,725,585	1,675,000	(50,585)	103%
Infrastructure & Transport	392,499	352,000	(40,499)	112%	1,560,661	1,548,000	(12,661)	101%
Children & Adults Social Care	793,312	761,000	(32,312)	104%	3,206,198	3,048,000	(158,198)	105%
Total	10,497,790	11,129,000	631,210	94%	48,099,582	48,054,000	(45,582)	100%

CAPITAL EXPENDITURE

Payments On Behalf Of The Crown	0	0	0	0%	482,000	482,000	0	100%
Civil Contingencies	578,824	375,000	(203,824)	154%	770,269	450,000	(320,269)	171%
Education	0	0	0	0%	30,000	30,000	0	100%
Infrastructure & Transport	32,081	31,000	(1,081)	103%	146,500	60,000	(86,500)	244%
Sub-Total	610,905	406,000	(204,905)	150%	1,428,769	1,022,000	(406,769)	140%

SURPLUS/(DEFICIT)

Total	(379,967)	(954,000)	574,033	40%	(751,481)	(750,000)	(1,481)	100%
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3.0 Analysis of Revenue Report - General Reserve

YEAR TO DATE - P3 JUNE 2020				
	Actual	Original Budget	Variance to budget Favourable / (adverse)	Variance to budget Favourable / (adverse)
	£	£	£	%
Taxes - PAYE	958,736	889,000	69,736	7.8%
Corporation Tax	1,390	0	1,390	0.0%
Goods & Services Tax	110,576	122,000	(11,424)	(9.4%)
Taxes - Withholding Tax	65	0	65	100.0%
Customs - Other	585,067	500,000	85,067	17.0%
Customs - Alcohol	423,913	275,000	148,913	54.2%
Customs - Tobacco	186,037	250,000	(63,963)	(25.6%)
Customs - Petrol	61,621	95,000	(33,379)	(35.1%)
Customs - Diesel	80,995	115,000	(34,005)	(29.6%)
Customs - Liquor Duty	0	5,000	(5,000)	(100.0%)
Customs - Excise Duty	79,534	150,000	(70,466)	(47.0%)
Taxes	2,487,934	2,401,000	86,934	4%
Stamp Duty	11,388	11,000	388	3.5%
Dog License	1,376	1,000	376	37.6%
Firearm License	2,806	3,000	(194)	(6.5%)
Liquor License	203	450	(247)	(54.8%)
Road Traffic License	45,522	45,000	522	1.2%
Other Licenses & Duty	2,650	1,850	800	43.2%
Duty & Licenses Received	63,945	62,300	1,645	3%
Court Fees & Fines	2,156	2,499	(343)	(13.7%)
Light Dues	696	2,500	(1,804)	(72.2%)
Cranage	3	500	(498)	(99.5%)
Dental Fees	7,088	5,925	1,163	19.6%
Fees of Office	6,561	5,000	1,561	31.2%
Medical & Hospital	45,837	45,001	836	1.9%
Trade Marks	1,591	2,181	(590)	(27.0%)
Post Office Charges	38	380	(342)	(90.1%)
Meat Inspection Fees	1,881	1,500	381	25.4%
Vet Services	7,576	4,000	3,576	89.4%
Marriage, Births & Deaths Fees	509	1,020	(511)	(50.1%)
Land Registration Fees	2,328	2,000	328	16.4%
Spraying Fees	822	0	822	100.0%
Immigration Fees	3,549	1,000	2,549	254.9%
Fish & Food Testing	5,200	4,000	1,200	30.0%
Planning Fees	16,460	0	16,460	#DIV/0!
GIS Fees	1,651	3,000	(1,349)	(45.0%)
Company Registration Fees	1,054	750	304	40.5%
Other Fees	40,187	47,120	(6,933)	(14.7%)
Fines & Fees Received	145,187	128,376	16,811	13%
Agricultural Gardens	0	4,000	(4,000)	(100.0%)
Leased House Plots	8,792	2,000	6,792	339.6%
Commercial Property Rents	16,112	12,000	4,112	34.3%
Miscellaneous Receipts	45,025	36,924	8,101	21.9%
Agricultural Buildings	1,037	1,000	37	3.7%
Government Rents	70,966	55,924	15,042	27%
Stamp Sales(Postal)	3,847	3,200	647	20.2%
Stamp Sales(Philatelic)	197	2,000	(1,803)	(90.2%)
Sale of Firewood	2,861	2,000	861	43.0%
Earnings Government Departments	6,904	10,200	(3,296)	-32%
Other Income Received	13,931	35,000	(21,069)	(60.2%)
Income Received	13,931	35,000	(21,069)	100%
Commission	860	360	500	100.0%
Interest	27,802	7,000	20,802	297.2%
DFID Airport Operations Funding	866,622	875,000	(8,378)	500.0%
Grant-in-Aid	6,633,378	6,633,000	378	0.0%
Treasury Receipts	7,528,662	7,515,360	13,302	0%
Recharges - Customs	85,115	85,000	115	100.0%
Recharges - Other	326,084	287,840	38,244	13.3%
Recharges Received	411,199	372,840	38,359	10%
TOTAL REVENUE	10,728,728	10,581,000	147,728	1%

4.0 GENERAL RESERVE 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%	

4.0 GENERAL RESERVE VARIANCE EXPLANATION REPORT PERIOD 3 (JUNE 2020)

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	300,467	335,000	34,533	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).
Human Resources Services	75,482	139,000	63,518	46%	
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	352,925	390,000	37,075	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	392,499	352,000	(40,499)	(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	6,358,891	7,043,000	684,109	10%	

4.0 GENERAL RESERVE VARIANCE EXPLANATION REPORT PERIOD 3 (JUNE 2020)

HEAD

Civil Contingencies

CAPITAL EXPENDITURE BY EXCEPTION

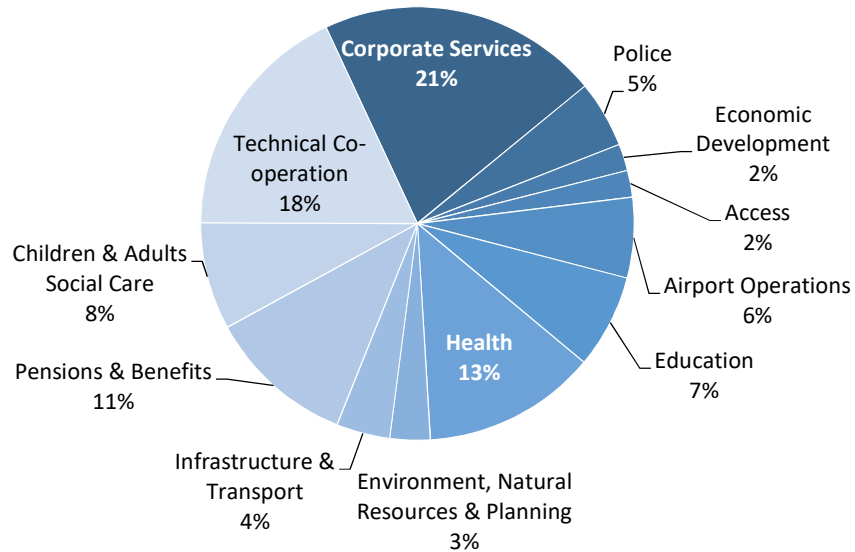
CAPITAL EXPENDITURE					
YEAR TO DATE					
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)		
£	£	£	£	%	Explanations of variances > 5% and £5,000
578,824	375,000	(203,824)	(54%)		The expenditure projections for construction works were less than the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



5.0 General Reserve Budget Report visual aids

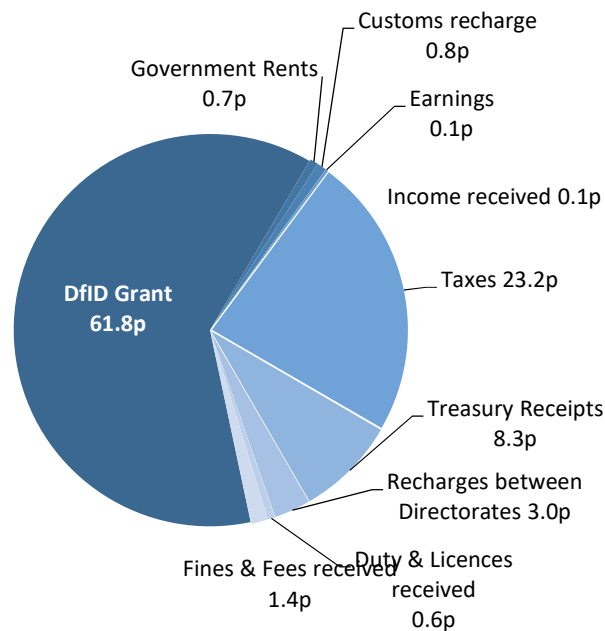
PERIOD 3 (JUNE 2020)

Total Expenditure by Head



Analysis of total expenditure by head for the period to June 2020.

Income analysis by £



Analysis of income to show where every £ of income is derived for the period to June 2020.

6.0 Summary of Movements on the General Reserve

Period ending
30 June 2020

£

Balance on the General Reserve as at 1 April 2020

5,460,711

Recurrent Surplus

542,944

Capital Expenditure

(610,905)

Pensions

(312,006)

Total Deficit From Budget Report General Reserve

(379,967)

Accounting Adjustments - excluded from Budget Report General Reserve

Unrealised gains /(losses) on sale of investments

23,826

COVID-19 Related Non Exchange Transaction

1,365

25,191

Total movement on General Reserve for the period to 30 June 2020

(354,776)

Balance on the General Reserve as at 30 June 2020

5,105,935



St Helena Government

7.0 Statement of Financial Position

	30 June 2020 £'000	<i>Draft</i> 31 March 2020 £'000
ASSETS		
Current Assets		
Cash & Cash Equivalents	11,955	5,763
Investments	10,614	15,644
Recoverables from Non-exchange Transactions	7,403	6,722
Receivables	698	2,534
Inventories	2,704	2,654
Prepayments	1,385	926
Other Financial Assets	1,036	1,036
Discontinued Operations	1	1
	<u>35,796</u>	<u>35,280</u>
Non-current Assets		
Non-Current Investments	29,150	29,150
Receivables	30	30
Prepayments	10	14
Property, Plant & Equipment	279,066	275,020
Intangible Assets	148	129
	<u>308,404</u>	<u>304,343</u>
Total Assets	<u>344,200</u>	<u>339,623</u>
LIABILITIES		
Current Liabilities		
Payables	13,246	11,056
Provisions	2,356	2,356
	<u>15,602</u>	<u>13,412</u>
Non-current Liabilities		
Payables	9	9
Pension Liabilities	74,363	74,359
Provisions	4,766	4,766
	<u>79,138</u>	<u>79,134</u>
Total Liabilities	<u>94,740</u>	<u>92,546</u>
NET ASSETS	<u>249,460</u>	<u>247,077</u>
FUNDS AND RESERVES		
Consolidated Fund	8.0 233,016	232,760
Special Funds	9.0 16,444	14,317
	<u>249,460</u>	<u>247,077</u>

8.0 Fund Balances - The Consolidated Fund

	Balance at 1 April 2020 Draft	Surplus / (Deficit) for the period	Depreciation	Use of Special Funds to finance Capital Expenditure	Use of General Reserve to finance Capital Expenditure	Transfers between reserves	Balance at 30 June 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Reserve	5,461	569	0	0	(611)	(313)	5,106
Capital Reserve	54,674	0	0	0	611	0	55,285
Revaluation Reserve	293	0	0	0	0	0	293
Pension Reserve	(74,359)	0	0	0	0	0	(74,359)
Investment in Subsidiary Reserve	29,150	0	0	0	0	0	29,150
Aid Funded Infrastructure Reserve	221,852	0	0	0	0	0	221,852
Donated Asset Reserve	133	0	0	0	0	0	133
Litigation Reserve	(4,444)	0	0	0	0	0	(4,444)
Total	232,760	569	0	0	0	(313)	233,016

9.0 Fund Balances - Special Funds

	Balance at 1 April 2020 Draft	Funds Received	Funds Applied	Funds Applied To Capital Finance	Transfers Between Reserves	Balance at 30 June 2020
	£'000	£'000	£'000	£'000	£'000	£'000
IT Trading Account	451	291	(165)	0	0	577
Transport Trading Account	938	302	(144)	0	0	1,096
Audit St Helena Trading Account	125	53	(54)	0	0	124
Housing Service Trading Account	29	62	(55)	0	0	36
Bulk Fuel Installation Trading Account	610	54	(354)	0	304	614
Airport Trading Account	464	653	(470)	0	0	647
Internal Audit Trading Account	2	0	(16)	0	9	(5)
DFID Projects	1,268	2,022	(293)	0	0	2,997
EDF Projects	9,311	0	(65)	0	0	9,246
Locally Funded Projects	111	0	0	0	0	111
UNDP Projects	4	0	(2)	0	0	2
Environmental Management Projects Fund	40	0	(24)	0	0	16
Foreign & Commonwealth Office Funded Projects	0	136	(142)	0	0	(6)
Government Landlord Housing Capital Fund	460	23	0	0	0	483
Improvements and New Construction Revolving Fund	90	4	0	0	0	94
Capital Receipts Fund	384	0	(2)	0	0	382
Animal Husbandry Fund	30	0	0	0	0	30
Total	14,317	3,600	(1,786)	0	313	16,444