



St Helena Government

BUDGET EXECUTION REPORT

**FOR PERIOD 8 (NOVEMBER 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 - November 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

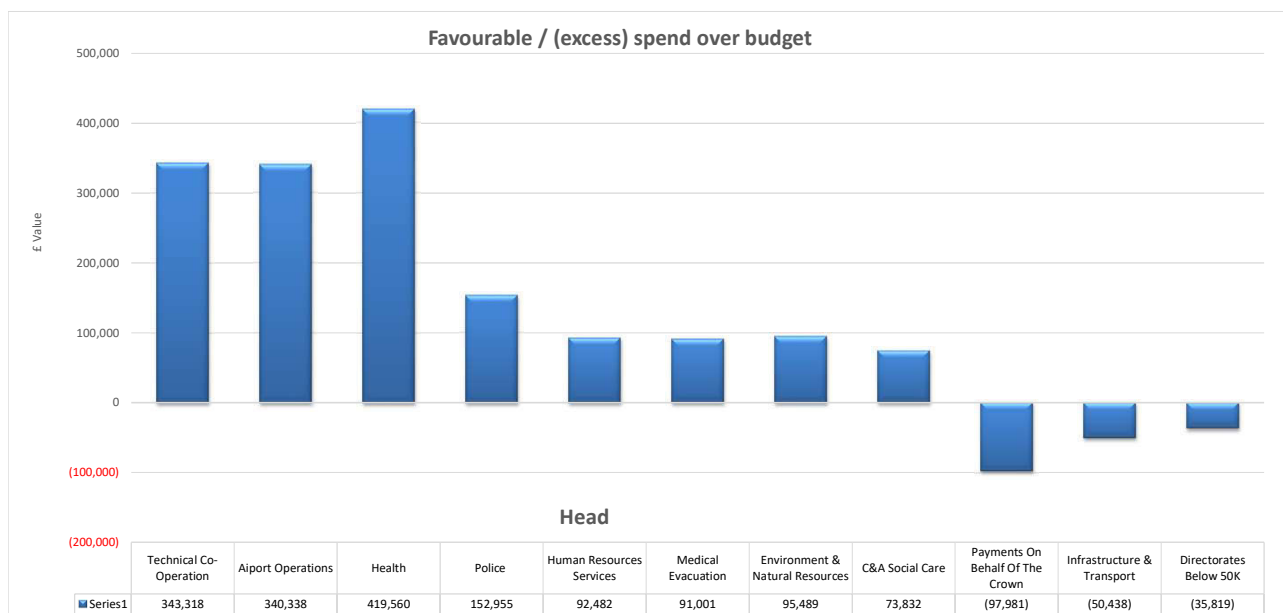
The total Original Approved Budget for the year is as follows:	Actuals:	Budgeted:	Actual Vs Budget		Forecast	Approved
	Year to Date £'000	Year to Date £'000	£'000	%	to Year End £'000	Budget £'000
Total Recurrent Income:	30,007	30,073	(66)	0%	44,743	46,056
Total Expenditure:	(28,361)	(29,769)	(1,407)	5%	(45,535)	(46,056)
Recurrent Expenditure:	(28,293)	(29,718)	(1,425)	5%	(45,068)	(45,801)
Capital Expenditure	(68)	(51)	17	100%	(467)	(255)
Total budget Surplus/(Deficit)	1,645	304	1,341	441%	(792)	0

Revenue

Revenue had an adverse variance of (£66k) -0.2% for the period April - November 2019.

Expenditure (Recurrent)

A favourable variance of £1,425k (4.8%) was achieved for the period April - November 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 a surplus of £1,646k has been recorded being 441% higher than the budgeted surplus of £304k. The higher surplus has been mainly due to significant underspends in Health Directorate, Airport Operations, Technical Co-operation, Medical Evacuation, Police and Human Resources.

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.



**St Helena
Government**

	YEAR TO DATE				FULL YEAR			
	Actual £	Approved Budget £	(1) Variance A - AB £	A / AB %	Forecast £	Approved Budget £	(2) Variance F-AB £	AB -A £
REVENUE								
CORPORATE SUPPORT, POLICY & PLANNING	181,108	182,588	(1,480)	99%	289,125	291,000	(1,875)	109,892
POLICE	243,389	246,471	(3,082)	99%	365,456	377,000	(11,544)	133,611
CORPORATE FINANCE	7,833,130	7,328,311	504,819	107%	11,462,357	11,543,000	(80,643)	3,709,870
PAYMENTS ON BEHALF OF THE CROWN	18,243,522	18,933,736	(690,214)	96%	27,397,470	28,742,000	(1,344,530)	10,498,478
AIRPORT OPERATIONS	2,333,332	2,329,600	3,732	100%	3,500,000	3,500,000	0	1,166,668
EDUCATION	143,853	146,400	(2,547)	98%	207,061	227,000	(19,939)	83,147
HEALTH	423,086	379,320	43,766	112%	611,533	569,000	42,533	145,914
ENVIRONMENT, NATURAL RESOURCES & PLANNING	103,785	73,742	30,043	141%	139,916	113,000	26,916	9,215
INFRASTRUCTURE & TRANSPORT	343,271	314,333	28,938	109%	530,634	486,000	44,634	142,729
CHILDREN & ADULTS SOCIAL CARE	158,450	138,666	19,784	114%	239,259	208,000	31,259	49,550
Sub-Total	30,006,927	30,073,167	(66,240)	100%	44,742,811	46,056,000	(1,313,189)	16,049,073

RECURRENT EXPENDITURE

CORPORATE SUPPORT, POLICY & PLANNING	1,017,264	1,006,092	(11,172)	101%	1,592,720	1,537,000	(55,720)	519,736
HUMAN RESOURCES SERVICES	337,680	430,162	92,482	79%	560,910	536,000	(24,910)	198,320
TECHNICAL CO-OPERATION	5,508,408	5,851,726	343,318	94%	8,787,844	8,623,000	(164,844)	3,114,592
POLICE	1,125,233	1,278,188	152,955	88%	1,811,122	1,848,000	36,878	722,767
CORPORATE FINANCE	883,769	877,909	(5,860)	101%	1,358,714	1,328,000	(30,714)	444,231
PAYMENTS ON BEHALF OF THE CROWN	3,622,108	3,524,127	(97,981)	103%	5,831,286	7,162,000	1,330,714	3,539,892
ECONOMIC DEVELOPMENT	620,000	620,000	0	100%	946,470	930,000	(16,470)	310,000
PENSIONS	905,191	899,424	(5,767)	101%	1,355,178	1,290,000	(65,178)	384,809
BASIC ISLAND PENSION	1,681,358	1,655,282	(26,076)	102%	2,568,782	2,448,000	(120,782)	766,642
INCOME RELATED BENEFITS	425,209	390,869	(34,340)	109%	647,343	551,000	(96,343)	125,791
ACCESS	433,662	474,502	40,840	91%	741,098	712,000	(29,098)	278,338
AIRPORT OPERATIONS	1,992,996	2,333,334	340,338	85%	3,500,000	3,500,000	0	1,507,004
EDUCATION	2,254,938	2,260,676	5,738	100%	3,390,806	3,350,000	(40,806)	1,095,062
HEALTH	2,212,779	2,632,339	419,560	84%	3,753,235	3,886,000	132,765	1,673,221
OVERSEAS MEDICAL TREATMENT	999,183	1,000,000	817	100%	1,599,895	1,500,000	(99,895)	500,817
MEDICAL EVACUATION	88,999	180,000	91,001	49%	134,977	200,000	65,023	111,001
ENVIRONMENT, NATURAL RESOURCES & PLANNING	1,143,446	1,238,935	95,489	92%	1,891,608	1,867,000	(24,608)	723,554
INFRASTRUCTURE & TRANSPORT	1,039,993	989,555	(50,438)	105%	1,577,395	1,530,000	(47,395)	490,007
CHILDREN & ADULTS SOCIAL CARE	2,000,892	2,074,724	73,832	96%	3,018,157	3,003,000	(15,157)	1,002,108
Sub-Total	28,293,107	29,717,844	1,424,737	95%	45,067,539	45,801,000	733,461	17,507,893

CAPITAL EXPENDITURE

POLICE	0	0	0	0%	63,980	30,000	33,980	30,000
CORPORATE FINANCE	7,788	7,788	(0)	100%	19,670	50,000	(30,330)	42,212
EDUCATION	17,311	0	17,311	0%	17,311		17,311	(17,311)
HEALTH	0	0	0	0%	152,000		152,000	0
INFRASTRUCTURE & TRANSPORT	43,238	43,238	0	100%	153,003	175,000	(21,997)	131,762
CHILDREN & ADULTS SOCIAL CARE	0	0	0	0%	61,000		61,000	0
Sub-Total	68,337	51,027	17,311	134%	466,964	255,000	211,964	186,663

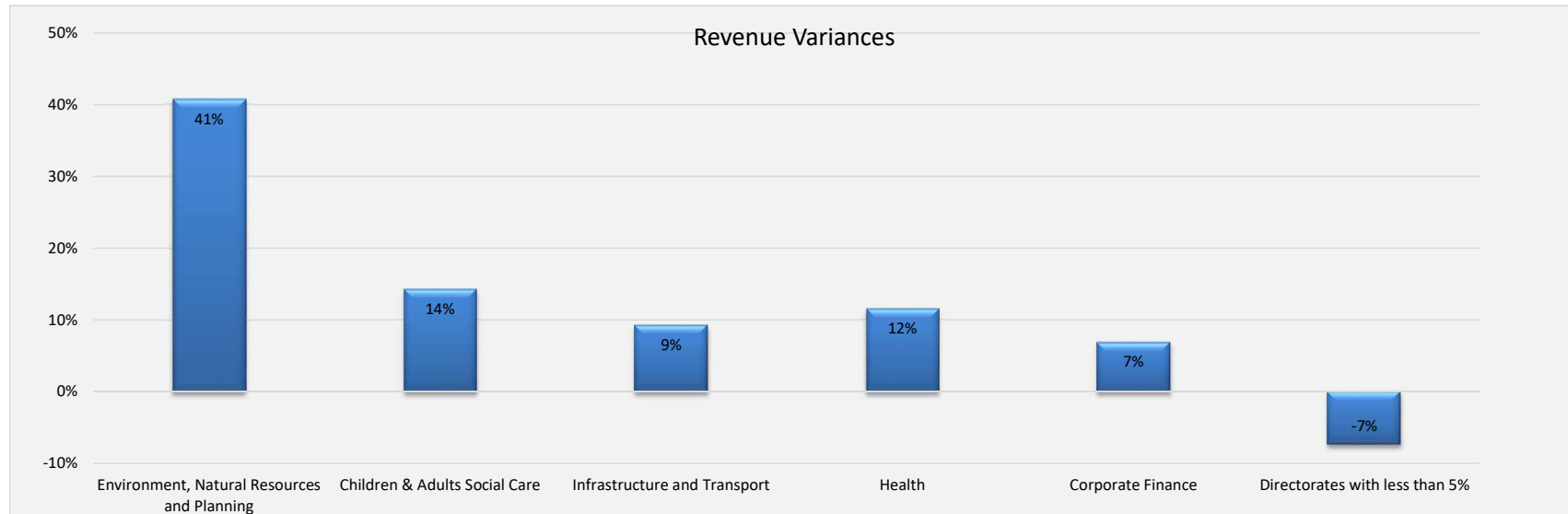
SURPLUS/(DEFICIT)

CORPORATE SUPPORT, POLICY & PLANNING	(836,156)	(823,504)	(12,652)	102%	(1,303,595)	(1,246,000)	(57,595)	(409,844)
HUMAN RESOURCES SERVICES	(337,680)	(430,162)	92,482	79%	(560,910)	(536,000)	(24,910)	(198,320)
TECHNICAL CO-OPERATION	(5,508,408)	(5,851,726)	343,318	94%	(8,787,844)	(8,623,000)	(164,844)	(3,114,592)
POLICE	(881,844)	(1,031,717)	149,873	85%	(1,509,646)	(1,501,000)	(8,646)	(619,156)
CORPORATE FINANCE	6,941,573	6,442,614	498,959	108%	10,083,972	10,165,000	(81,028)	3,223,427
PAYMENTS ON BEHALF OF THE CROWN	14,621,414	15,409,609	(788,195)	95%	21,566,184	21,580,000	(13,816)	6,958,586
ECONOMIC DEVELOPMENT	(620,000)	(620,000)	0	100%	(946,470)	(930,000)	(16,470)	(310,000)
PENSIONS	(905,191)	(899,424)	(5,767)	101%	(1,355,178)	(1,290,000)	(65,178)	(384,809)
BASIC ISLAND PENSION	(1,681,358)	(1,655,282)	(26,076)	102%	(2,568,782)	(2,448,000)	(120,782)	(766,642)
INCOME RELATED BENEFITS	(425,209)	(390,869)	(34,340)	109%	(647,343)	(551,000)	(96,343)	(125,791)
ACCESS	(433,662)	(474,502)	40,840	91%	(741,098)	(712,000)	(29,098)	(278,338)
AIRPORT OPERATIONS	340,336	(3,734)	344,070	-9115%	0	0	0	(340,336)
EDUCATION	(2,128,395)	(2,114,276)	(14,119)	101%	(3,201,056)	(3,123,000)	(78,056)	(994,605)
HEALTH	(1,789,693)	(2,253,019)	463,326	79%	(3,293,702)	(3,317,000)	23,298	(1,527,307)
OVERSEAS MEDICAL TREATMENT	(999,183)	(1,000,000)	817	100%	(1,599,895)	(1,500,000)	(99,895)	(500,817)
MEDICAL EVACUATION	(88,999)	(180,000)	91,001	49%	(134,977)	(200,000)	65,023	(111,001)
ENVIRONMENT, NATURAL RESOURCES & PLANNING	(1,039,661)	(1,165,193)	125,532	89%	(1,751,691)	(1,754,000)	2,309	(714,339)
INFRASTRUCTURE & TRANSPORT	(739,960)	(718,460)	(21,500)	103%	(1,199,763)	(1,219,000)	19,237	(479,040)
CHILDREN & ADULTS SOCIAL CARE	(1,842,442)	(1,936,058)	93,616	95%	(2,839,898)	(2,795,000)	(44,898)	(952,558)
Total	1,645,482	304,296	1,341,186	541%	(791,692)	0	(791,692)	(1,645,482)



St Helena
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VARIANCE SUMMARY REPORT PERIOD 8 (NOVEMBER 2019)



REVENUE:

Overall revenue for the 8 months period ending November 2019 reflected an under collection of £66k .

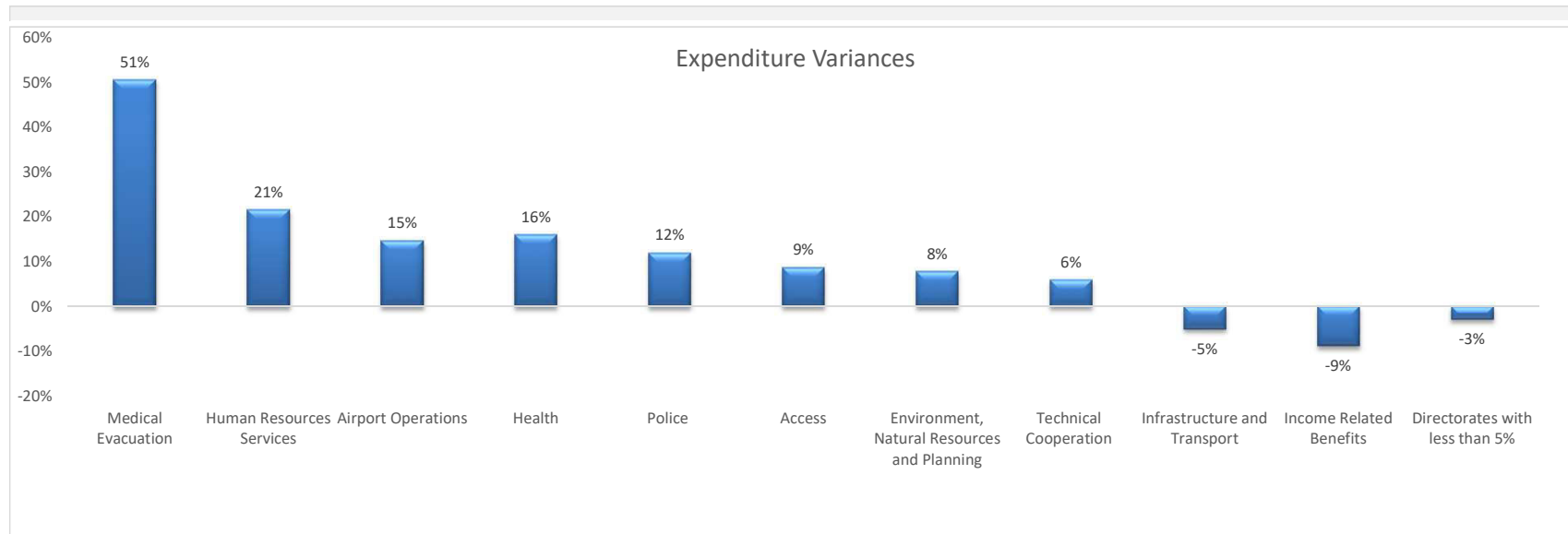
Total collections above budget were £631k reported in five directorates namely ENRP, CASC, I&T, Health and Corporate Finance. Corporate Finance had the biggest over collection of £505k attributed to above budget collections in income tax and fuel and tobacco customs duty collections. The position is however reduced by a net under collection of £697k due to grant claims for compensation not being made as no claims are currently due.

Please refer to the variance explanation report for further details.



St Helena
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VARIANCE SUMMARY REPORT PERIOD 8 (NOVEMBER 2019)



EXPENDITURE:

Overall expenditure for the 8 months period ending November 2019, reflected an under spend by 5 percent (**£1,425,087**).

The reasons behind the underspend are largely a result of timing differences between budgeted expenditure and actual costs as a result of delayed overseas procurement. There are also salary savings on vacant posts owing to high staff turnover and time taken to place people in post. The major underspends were noted in the Health Directorate, Airport Operations, Technical Co-operation, Medical Evacuation, Police and Human Resources (£420k, £340k, £343k, £91k, £153k and £92k respectively).

Please refer to the variance explanation report for further details.



St Helena
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VARIANCE EXPLANATION REPORT PERIOD 8 (NOVEMBER 2019)

Head

Corporate Support, Policy & Planning
Police

Corporate Finance

Payments on behalf of the Crown
Airport Operations
Education

Health

Environment, Natural Resources and Planning

Infrastructure and Transport

Children & Adults Social Care

TOTAL RECURRENT INCOME

REVENUE				
YEAR TO DATE				
Actual	Approved Budget	Variance A - AB Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	
£	£	£	£	%
				Explanations of variances >5%
181,108	182,588	(1,480)	(1%)	N/A
243,389	246,471	(3,082)	(1%)	N/A
7,833,130	7,328,311	504,819	7%	The revenue from income tax on individuals and corporates was £356k more than budget, this was mainly due to timing difference between when collections were expected and actual assessment. Fuel and Tobacco duty collections were also over the budget by £315k and £163k. This is however partly offset by below budget collections in areas such as alcohol under by £175k, excise duty by £57k and other duties £57k.
18,243,522	18,933,736	(690,214)	(4%)	N/A
2,333,332	2,329,600	3,732	0%	N/A
143,853	146,400	(2,547)	(2%)	N/A
423,086	379,320	43,766	12%	Medical and hospital fees were £17k higher than budgeted, in addition there was more than expected revenue from water testing of £15k. Some of the extra hospital fees are in relation to revenue from treating a crew member on a passing ship at visitor rates.
103,785	73,742	30,043	41%	Reimbursement for VMS from Argos vessels paid earlier than expected amounting to £13k. The increase was also due to a £13k miscellaneous revenue collected that was not budgeted for.
343,271	314,333	28,938	9%	The increase in income was mainly from leased property/land, £27k more than anticipated possibly due to an under budget on house plots. Roads performed additional work for private clients which was previously not budgeted for resulting in a excess revenue of £27k. Recharge revenue on works for other government departments was under budget by £19k.
158,450	138,666	19,784	14%	The over collection is due to the actual revenue being higher than budgeted at the Princess Royal Community Care Centre, the budgeted average Board and lodging fees was £45 compared to an actual of £60 per week.
30,006,927	30,073,167	(66,240)	(0%)	

VARIANCE EXPLANATION REPORT PERIOD 8 (NOVEMBER 2019)

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	1,017,264	1,006,092	(11,172)	(1%)	N/A
Human Resources Services	337,680	430,162	92,482	21%	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 remaining months of this financial year.
Technical Cooperation	5,508,408	5,851,726	343,318	6%	The underspend is due to vacant TC posts and a timing difference on consultancy fees to be spent later in the year (£364k and £184k respectively). This is off-set in part by higher than budgeted expenses for advertising vacant posts (£50k), unbudgeted legal fees (£60k) and additional travel costs for Locums (£53k)
Police	1,125,233	1,278,188	152,955	12%	The underspend is due to vacancy savings £49k 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 £71k (including customs duty).
Corporate finance	883,769	877,909	(5,860)	(1%)	N/A
Payments on behalf of the Crown	3,622,108	3,524,127	(97,981)	(3%)	N/A
Economic Development	620,000	620,000	0	0%	N/A
Pensions	905,191	899,424	(5,767)	(1%)	N/A
Basic Island Pension	1,681,358	1,655,282	(26,076)	(2%)	N/A
Income Related Benefits	425,209	390,869	(34,340)	(9%)	The deficit is a result of a phasing mismatch and is expected to even out by the end of the financial year.
Access	433,662	474,502	40,840	9%	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 £37k compared to a budgeted cost of £42k per month resulting in an underspend of £41k.
Airport Operations	1,992,996	2,333,334	340,338	15%	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.
Education	2,254,938	2,260,676	5,738	0%	N/A
Health	2,212,779	2,632,339	419,560	16%	The underspend has largely been due to vacancy savings on employee related costs amounting to £74k and hospital equipment (including customs duty) for £115k that is yet to arrive on the Island. £72k savings relate to outstanding orders for medical equipment, supplies and other materials. A £15k underspend on the Medical Information System contract is a result of phasing mismatch. £63k relates to the Chronic Disease Management programme and is expected to be utilised in the next half of the financial year.
Overseas Medical Treatment	999,183	1,000,000	817	0%	N/A
Medical Evacuation	88,999	180,000	91,001	51%	The underspend is due to only two aeromed flights having occurred between April - Nov compared to the expected four. This is an unpredictable cost for which the underspend could be used in the future.
Environment, Natural Resources and Planning	1,143,446	1,238,935	95,489	8%	The underspend is mostly due to employee and related costs due to vacancies totalling £36k. There is a timing difference between budgeted contract work (£10k) and procurement (£45k) not being completed and billed as forecasted.
Infrastructure and Transport	1,039,993	989,555	(50,438)	(5%)	The overspend was due to the general maintenance for GLH & Buildings (£42k) caused by an increase in cost of materials purchased and freight charges.
Children & Adults Social Care	2,000,892	2,074,724	73,832	4%	N/A
TOTAL RECURRENT EXPENDITURE	28,293,107	29,717,844	1,424,737	5%	



VARIANCE EXPLANATION REPORT PERIOD 8 (NOVEMBER 2019)

Head

CORPORATE FINANCE

EDUCATION

INFRASTRUCTURE & TRANSPORT

TOTAL CAPITAL EXPENDITURE

TOTAL EXPENDITURE

CAPITAL EXPENDITURE				
YEAR TO DATE				
Actual	Approved Budget	Variance AB - A Favourable / (Adverse)	Variance AB - A Favourable / (Adverse)	
£	£	£	£	%
				Explanations of variances >5%
7,788	7,788	0	0	
17,311	0	(17,311)	0	The overspend related to the replacement of a server to be funded from the re-current budget.
43,238	43,238	0	0	N/A
68,337	51,027	(17,311)	(34%)	
28,361,444	29,768,871	1,407,426		

PERFORMANCE MEASURES

Local Revenue as a Percentage of total expenditure:

Total Local revenue

Total Expenditure

Percentage

Annual Approved Budget	Actual to Period 8 (30/11/19)	Budget to Period 8 (30/11/19)
12,750,000	9,430,073	8,809,831
46,056,000	28,361,444	29,768,871
28%	33%	30%