

EXECUTIVE COUNCIL

CONFIDENTIAL

Title of Report: THE SUPPLEMENTARY APPROPRIATION (2010-2011) BILL
2010

Paper No: 227/10

Date: 21 October 2010

Report of: Financial Secretary

1. Purpose

1.1 The purpose of this paper is to present the Supplementary Appropriation (2010-2011) Bill 2010 for approval and remission to the Legislative Assembly.

2. Recommendation

2.1 Honourable Members are invited to approve the remission of the Supplementary Appropriation Bill to the meeting of the Legislative Assembly to be held on 22 October 2010.

3. Summary of Financial Implications

3.1 The following is a summary of appropriation legislation with respect to the 2010/2011 Financial Year:

	£
Appropriation Ordinance 2010 (No 2 of 2010)	42,414,800
The Supplementary Appropriation (2010-2011) Bill 2010	843,700
Total	<u>43,258,500</u>

4. Background

4.1 This Bill (attached at Annex A) covers supplementary expenditure amounting to £843,700 approved by the Standing Finance Committee. This amount was authorised to be advanced from the Contingencies Fund under Contingencies Warrant Nos 1 & 2 of 2010/2011 as shown on Report No 1 attached at Annex B, as approved by Standing Finance Committee on 30 July and 19 August 2010.

4.2 The Bill will, if enacted, provide the legal authority for the additional sum of £843,700 to be withdrawn from the Consolidated Fund and for the Contingencies Fund to be replenished in respect of the amount of any sum advanced there from as authorised by the Contingencies Warrant.

5. **Legal Implications**

None.

6. **Human Resources Implications**

None.

The Treasury
Stanley

Supplementary Appropriation (2010-2011) Bill 2010

(No: of 2010)

ARRANGEMENT OF PROVISIONS

Clause

1. Title
2. Commencement
3. Withdrawal of additional sum
4. Replenishment of Contingencies Fund

Schedule

SUPPLEMENTARY APPROPRIATION (2010-2011) BILL 2010

(No: of 2010)

(assented to: 2010)

(commencement: on publication)

(published: 2010)

A BILL

for

AN ORDINANCE

To authorise the withdrawal from the Consolidated Fund of the additional sum of £843,700 for the financial year ending 30 June 2011.

BE IT ENACTED by the Legislature of the Falkland Islands —

1. Title

This Ordinance is the Supplementary Appropriation (2010-2011) Ordinance 2010.

2. Commencement

This Ordinance comes into force on publication in the Gazette.

3. Withdrawal of additional sum

(1) The Financial Secretary may withdraw an additional sum of £843,700 from the Consolidated Fund.

(2) Any additional sum withdrawn under subsection (1) may be applied in the financial year ending 30 June 2011 in accordance with section 4 and the Schedule.

4. Replenishment of Contingencies Fund

If any sum has been withdrawn from the Contingencies Fund by the authority of Contingencies Warrant numbers 1 & 2 of 2010-2011, the Financial Secretary will replenish the fund from the additional sum withdrawn under section 3.

SCHEDULE

Number	Head of Service	Amount £
<u>Operating Budget</u>		
0110	<u>Procurement & Efficiency</u>	17,120
0200	<u>Health, Social Services & Education</u>	87,520
0350	<u>Public Works Department</u>	24,920
0410	<u>Natural Resources</u>	60,240
0451	<u>Attorney Generals Chambers</u>	52,060
0550	<u>Community Safety</u>	3,810
0600	<u>Executive Management</u>	11,540
0620	<u>Mineral Resources</u>	65,570
0700	<u>Corporate Resources</u>	168,520
0999	<u>Transfer Payments</u>	352,400
<u>Total Operating Budget</u>		843,700
<u>Total Supplementary Expenditure</u>		843,700

OBJECTS AND REASONS

The Bill provides for:-

(1) supplementary expenditure of £843,700; and

(2) the Contingencies Fund to be replenished to the extent that any sums have been advanced under the authority of Contingencies Warrant Nos 1 & 2 of 2010/2011.

The Bill is proposed in accordance with section 26 of the Finance and Audit Ordinance 1988.

Report No 1 of 2010/2011 to Executive Council on advances authorised by the Director of Corporate Resources to be issued out of the Contingencies Fund for application to the service of the 2010/2011 Financial Year to enable the need for unforeseen expenditure to be met pursuant to the provisions of Section 26 of the Finance and Audit Ordinance

Account Code	Advance Amount £	Contingencies Warrant No	Reasons
<u>0110 PROCUREMENT & EFFICIENCY</u>			
0104 Procurement, Efficiency & HR			
1429 Specialist/Consultancy	15,000.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Training for the CHRIS payroll system due to be undertaken earlier in the year but delayed</i>
0607 Computer Section			
0602 Repairs & Maint Minor Equipment	2,120.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Work undertaken on standby generator not completed before year end</i>
	17,120.00		
<u>0200 HEALTH, SOCIAL SERVICES & EDUCATION</u>			
0201 Medical			
0761 Mandatory Training/CPD	10,740.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Course booked for February 2010 delayed by the course provider to Sept 2010</i>
1429 Specialist/Consultancy	8,780.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Goods used during ophthalmologist visit in May not invoiced before year end</i>
0259 Infant/Jnr School			
0310 Salaries & Wages	50,160	1 - SFC 30/07/10	Required as a result of the Executive Council's decision for 3 additional full time and 1 part time LSA's at a total additional cost of £50,154 in 2010/11. SFC Minute 8.2 refers
1920 Special Educational Expenses	4,440.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Goods ordered before year end but invoiced not received</i>

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
0260 Community School			
0310 Salaries & Wages	11,740	1 - SFC 30/07/10	Due to Executive Council's recommendation for the implementation of a supported programme of Life Skills & work placement for 9 months. Assistant Director of Education advises that programme will continue until August 2011, these figures represent funding required in 2010/2011 financial year only. SFC Minute 12.1 (exempt) refers
0332 Retirement Pension Contributions	490	1 - SFC 30/07/10	
0340 Occupational Pension Contributions	1,170	1 - SFC 30/07/10	
	87,520		
<u>0350 PUBLIC WORKS DEPARTMENT</u>			
0353 Quarry & Asphalt			
0990 Explosives	24,920.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>The last order of the year had to be cancelled due to problems with shipping links</i>
	24,920.00		
<u>0410 NATURAL RESOURCES</u>			
0321 Fisheries			
0910 Oil Spill Response	36,470.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Due to a vacant staff post this equipment and training budget was not spent during the year</i>
	23,770.00		
1429 Specialist/Consultancy	23,770.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Funding for the resource rent review was not spent due to the illness of a consultant</i>
	60,240.00		

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
<u>0451 ATTORNEY GENERAL'S CHAMBERS</u>			
0451 Attorney General's Chambers			
1429 Specialist/Consultancy	25,000.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Specialist legal advice re shipping</i>
0101 Regulation			
0761 Mandatory Training/CPD	1,200.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Compulsory training that was delayed due to cancelled flights re volcanic ash</i>
1429 Specialist/Consultancy	25,860.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Ongoing consultancy work being carried out which was not completed by year end.</i>
		52,060	
<u>0550 COMMUNITY SAFETY</u>			
0300 Customs			
0334 Passages & Travel	730.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Expense claim submitted for payment but not paid before year end</i>
0338 Travel & Subsistence	1,080.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Expense claim submitted for payment but not paid before year end</i>
0551 Police & Prisons			
0761 Mandatory Training/CPD	2,000.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>The invoice for a course attended in March 2010 has only just been received</i>
		3,810.00	

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
<u>0600 EXECUTIVE MANAGEMENT</u>			
0601 Secretariat			
1429 Specialist/Consultancy	3,910.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Costs relating to consultancy with Local Government Association re the corporate restructure not invoiced by year end</i>
0616 Environmental			
4169 Environmental Costs	3,590.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Three projects allocated funds from the Environmental Studies Budget were not completed before the year end</i>
0800 Legislature			
0761 Mandatory Training/CPD	4,040.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Training cost for new MLAs not yet incurred.</i>
	<hr/>	11,540.00	
<u>0620 MINERALS</u>			
3118 Hydrocarbons Consultancy	65,570.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Consultancies put on hold during the year so that analysis could be undertaken of new well data as the drilling programme unfolds</i>
	<hr/>	65,570.00	

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
<u>0700 CORPORATE RESOURCES</u>			
0602 Treasury			
0310 Salaries & Wages	7,270.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Backdated regrading of post not paid by year end</i>
0334 Passages & Travel	2,000.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Delay in recruiting one post due to one year contract extension</i>
0335 Recruitment	10,000.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Delay in recruiting one post due to one year contract extension</i>
0339 Contract Allowances	2,800.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Delay in recruiting one post due to one year contract extension</i>
2000 Budget Reserve	100,000.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Budget was included in 2009/10 for the repairs of vehicles re the Shackleton project. It is not certain that this full amount will be required therefore it is recommended that this is approved but transferred into a reserve for allocation only if needed.</i>
0603 Investment Income			
1429 Specialist/Consultancy	21,080.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Investment review project has taken longer to complete than originally envisaged.</i>
0609 Taxation			
1200 Tax Agents in UK	13,670.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Long invoicing cycle for HM Revenue & Customs delayed payment of invoices</i>
1429 Specialist/Consultancy	11,700.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Work undertaken on oil and ITQ advice not yet received invoiced</i>
	168,520.00		

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
0999 TRANSFER PAYMENTS			
3064 Contribution to Defence (Housing)	174,090.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Balance of funding for MPC Housing not spent due to timing of works</i>
3065 Payment to MOD (Air Terminal)	57,880.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Invoices not received during 2009/10</i>
3153 Historic Buildings	6,350.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Three projects started in the year but not completed (Jubilee Villas chimneys, Cape Meredith Light and West Point Island Shearing Shed)</i>
4086 Public Accounts Committee	8,620.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Approved funding not spent during 2009/10</i>
4090 Camp Pension Contributions	5,310.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Not all applications completed for year ended 30th June 2010</i>
4110 Live TV	100,150.00	2-SFC 19/08/10	Carryover of funds from 2009/2010 - <i>Installation of the enhanced service was delayed</i>
		352,400.00	
TOTAL	843,700	843,700	
Summary			
Contingencies Warrant No 1	63,560	Standing Finance Committee 30 July 2010	
Contingencies Warrant No 2	780,140	Standing Finance Committee 19 August 2010	
	843,700		

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
<u>DIRECTORATE SUMMARY</u>			
0110 PROCUREMENT & EFFICIENCY		17,120	
0200 HEALTH, SOCIAL SERVICES & EDUCATION		87,520	
0350 PUBLIC SERVICES		24,920	
0410 NATURAL RESOURCES		60,240	
0451 ATTORNEY GENERAL'S CHAMBERS		52,060	
0550 COMMUNITY SAFETY		3,810	
0600 EXECUTIVE MANAGEMENT		11,540	
0620 MINERALS		65,570	
0700 CORPORATE RESOURCES		168,520	
0999 TRANSFER PAYMENTS		352,400	
TOTAL		<u>843,700</u>	