

# EXECUTIVE COUNCIL

## CONFIDENTIAL

**Title of Report:** THE SUPPLEMENTARY APPROPRIATION (2011-2012) BILL 2011

**Paper No:** 234/11 - FS

**Date:** 26 October 2011

**Report of:** Financial Secretary

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### 1. Purpose

- 1.1 The purpose of this paper is to present the Supplementary Appropriation (2011-2012) Bill 2011 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 27 October 2011.

### 3. Summary of Financial Implications

- 3.1 The following is a summary of appropriation legislation with respect to the 2011/2012 Financial Year:

	£
Appropriation Ordinance 2011 (No 5 of 2011)	45,466,270
The Supplementary Appropriation (2011-2012) Bill 2011	1,293,570
<b>Total</b>	<b><u>46,759,840</u></b>

### 4. Background

- 4.1 This Bill (attached at Annex A) covers supplementary expenditure amounting to £1,293,570 in respect of unspent funding carried forward from the 2010/2011 financial year, which was approved by Standing Finance Committee on 26 August 2011.
- 4.2 The maximum total amount that may be advanced from the Contingencies Fund is £1,000,000.00. Therefore £812,690 of the additional funding approved, representing those items most likely to be required before the approval of a Supplementary General Warrant, was authorised to be advanced from the

Contingencies Fund under Contingencies Warrant No 1 of 2011/2012 as shown on Report No 1 (attached at Annex B).

- 4.3 The remaining £480,880, also relating to unspent funding carried forward from the 2010/2011 financial year, is shown on Report No 2 (attached at Annex C)
- 4.4 The Bill will, if enacted, provide the legal authority for the additional sum of £1,293,570 to be withdrawn from the Consolidated Fund and for the Contingencies Fund to be replenished in respect of the amount of any sum advanced therefrom as authorised by the Contingencies Warrant No 1 of 2011/2012.

**5. Legal Implications**

None.

**6. Human Resources Implications**

None.

The Treasury  
Stanley

**Supplementary Appropriation (2011-2012) Bill 2011**

(No:                      of 2011)

ARRANGEMENT OF PROVISIONS

Clause

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

Schedules

**SUPPLEMENTARY APPROPRIATION (2011-2012) BILL 2011**

(No:                      of 2011)

*(assented to:                      2011)*

*(commencement: on publication)*

*(published:                      2011)*

A BILL

for

AN ORDINANCE

To authorise the withdrawal from the Consolidated Fund of the additional sum of £1,293,570 for the financial year ending 30 June 2012.

BE IT ENACTED by the Legislature of the Falkland Islands —

**1. Title**

This Ordinance is the Supplementary Appropriation (2011-2012) Ordinance 2011.

**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 £1,293,570 from the Consolidated Fund.

(2) Any additional sum withdrawn under subsection (1) may be applied in the financial year ending 30 June 2012 in accordance with section 4 and the Schedules.

**4. Replenishment of Contingencies Fund**

If any sum has been withdrawn from the Contingencies Fund by the authority of Contingencies Warrant number 1 of 2011-2012, the Financial Secretary will replenish the fund from the additional sum withdrawn under section 3.

## SCHEDULE 1

<b>Number</b>	<b>Head of Service</b>	<b>Amount</b> £
<b>Operating Budget</b>		
0200	Health, Social Services & Education	15,190
0410	Natural Resources	57,070
0451	Attorney General's Chambers	5,380
0550	Community Safety	3,360
0600	Executive Management	143,970
0700	Corporate Resources	67,880
0999	Transfer Payments	519,840
<b>Total Operating Budget</b>		<b>812,690</b>
<b>Total Schedule 1</b>		<b>812,690</b>

## SCHEDULE 2

<b>Number</b>	<b>Head of Service</b>	<b>Amount</b> £
<b>Operating Budget</b>		
0410	Natural Resources	10,920
0620	Mineral Resources	100,000
0700	Corporate Resources	246,640
0999	Transfer Payments	123,320
<b>Total Operating Budget</b>		<b>480,880</b>
<b>Total Schedule 2</b>		<b>480,880</b>
<b>TOTAL SUPPLEMENTARY EXPENDITURE</b>		<b>1,293,570</b>

### OBJECTS AND REASONS

The Bill provides for:-

- (1) supplementary expenditure of £1,293,570; and
- (2) the Contingencies Fund to be replenished to the extent that any sums have been advanced under the authority of Contingencies Warrant No 1 of 2011/2012.

The Bill is proposed in accordance with section 26 of the Finance and Audit Ordinance (Title 19.3).

Report No 1 of 2011/2012 to Executive Council on advances authorised by the Financial Secretary 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
<b><u>0200 HEALTH, SOCIAL SERVICES &amp; EDUCATION</u></b>			
<b>0201 MEDICAL</b>			
1920 Special Educational Expenses	1,400.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Invoice for physiotherapy in May received late.
<b>0251 EDUCATION - ADMINISTRATION</b>			
0761 Mandatory Training/CPD	10,870.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Team Teach trainer could not visit until July.
<b>0259 EDUCATION - INFANT/JNR SCHOOL</b>			
0605 Books & Periodicals	<u>2,920.00</u>	15,190.00 1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Money from EU Comenius Fund received late in year.
<b><u>0410 NATURAL RESOURCES</u></b>			
<b>0321 FISHERIES - ADMINISTRATION</b>			
1429 Specialists/Consultancy Services	16,100.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Resource Rent review not completed by year end.
0915 Charter Fees	<u>40,970.00</u>	57,070.00 1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Research days not used by year end (contract based on calendar year).

Report No 1 of 2011/2012 to Executive Council on advances authorised by the Financial Secretary 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
<b><u>0451 ATTORNEY GENERAL'S CHAMBERS</u></b>			
0101 REGULATION 0334 Passages & Travel	1,400.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Conference moved from June to September.
0338 Travel & Subsistence	1,180.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Conference moved from June to September.
0403 Vehicle Repairs & Maintenance	1,150.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Insurance claim for vehicle repairs received late in year.
0451 ATTORNEY GENERAL'S CHAMBERS 0761 Mandatory Training/CPD	150.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Course started but not yet finished.
0452 REGISTRY 1115 Election Expenses	<u>1,500.00</u>	5,380.00 1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Invoices received post year end relating to by-election.
<b><u>0550 COMMUNITY SAFETY</u></b>			
0551 POLICE 0759 In-Service Training	<u>3,360.00</u>	3,360.00 1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Funds from Management Development Fund no spent at year end.

Report No 1 of 2011/2012 to Executive Council on advances authorised by the Financial Secretary 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
<b><u>0600 EXECUTIVE MANAGEMENT</u></b>			
<b>0601 SECRETARIAT</b>			
0335 Recruitment Costs	21,270.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Recruitment of Central Services Director covering two financial years.
0849 Project Costs	18,080.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Delays in reaching agreements on port arrangements.
0849 Project Costs	50,000.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Business Plan received later for South Atlantic Environmental Research Institute.
1429 Specialists/Consultancy	12,330.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Costs relating to management development training with Local Government Association not invoiced by year end.
<b>0615 POLICY UNIT</b>			
1429 Specialists/Consultancy	9,910.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> RPI basket review not completed by year end.
1769 Census Expenses	12,000.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Census delayed.
<b>0616 ENVIRONMENTAL PLANNING</b>			
4169 Environmental Planning	18,860.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Project allocated funds from the Environmental Studies Budget not completed before the year end.
<b>0800 LEGISLATURE</b>			
11/6 Public Relations	1,520.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Invoice for goods order in may not paid until July.

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Account Code	Advance Amount £	Contingencies Warrant No	Reasons
<b><u>0700 CORPORATE RESOURCES</u></b>			
<b>0602 TREASURY</b>			
0335 Recruitment	13,920.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Recruitment Invoices received late for June recruitments.
1201 Audit Fees	34,960.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Fees for audit in April 2011 not paid until July.
1429 Specialists/Consultancy	9,000.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Dynamics upgrade delayed whilst review of compatibility undertaken.
<b>0609 TAXATION</b>			
1200 Tax Agents in UK	<u>10,000.00</u>	67,880.00 1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Long invoicing cycle for HM Revenue & Customs delayed payment of these invoices.
<b><u>0999 TRANSFER PAYMENTS</u></b>			
3064 Contribution to Defence	223,080.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Balance of funding for MPC Housing not spent due to timing of works.
3153 Historic Buildings Renewal	15,320.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Three projects started in the year but not completed (Jubilee Villas chimneys, Cape Meredith Light & West Point)
4111 Passage Scheme	40,000.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011.</i> Payments made during July for June claims and money frozen for children under 16.

Report No 1 of 2011/2012 to Executive Council on advances authorised by the Financial Secretary 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
<b><u>0999 TRANSFER PAYMENTS Cont</u></b>			
4189 Museum & National Trust	12,500.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011. Late application for Q4 subsidy.</i>
4205 Shipping Links	209,230.00	1 - SFC 26/08/11	<i>Carryover from 2010/2011. Approved funds not drawn down by year end.</i>
48/2 Energy Grants	<u>19,110.00</u>	519,840.00 1 - SFC 26/08/11	<i>Carryover from 2010/2011. Claims submitted through FIDC for energy grants not paid by year end.</i>
<b>TOTAL APPROVED UNDER CW No 1</b>	<b><u>812,690.00</u></b>	<b><u>812,690.00</u></b>	
<b><u>Summary</u></b>			
Contingencies Warrant No 1	812,690.00	Standing Finance Committee 26 August 2011	
	<b><u>812,690.00</u></b>		
<b><u>DIRECTORATE SUMMARY</u></b>			
0200 HEALTH, SOCIAL SERVICES & EDUCATION	15,190.00		
0410 NATURAL RESOURCES	57,070.00		
0451 ATTORNEY GENERAL'S CHAMBERS	5,380.00		
0550 COMMUNITY SAFETY	3,360.00		
0600 EXECUTIVE MANAGEMENT	143,970.00		
0700 CORPORATE RESOURCES	67,880.00		
0999 TRANSFER PAYMENTS	519,840.00		
<b>TOTAL</b>	<b><u>812,690.00</u></b>		

Report No 2 of 2011/2012 to Executive Council of additional provision  
approved by Standing Finance Committee on 26 August 2011

Account Code	Advance Amount £	£	Reasons
<b><u>0410 NATURAL RESOURCES</u></b>			
<b>0326 SCIENTIFIC BUDGET</b>			
0310 Salaries & Wages	<u>10,920.00</u>	10,920.00	<i>Carryover from 2010/2011.</i> Payment for TOIL not processed until July payroll.
<b><u>0700 CORPORATE RESOURCES</u></b>			
<b>0602 TREASURY</b>			
1884 Training & Development Reserve	196,640.00		<i>Carryover from 2010/2011.</i> Later start of Management Development & Succession Planning scheme.
2000 Budget Reserve	<u>50,000.00</u>	246,640.00	<i>Carryover from 2010/2011.</i> Live TV - Project progress not as anticipated.
<b><u>0620 MINERALS</u></b>			
3118 Hydrocarbon Consultancy	<u>100,000.00</u>	100,000.00	<i>Carryover from 2010/2011.</i> Surveys delayed due to bad weather.
<b><u>0999 TRANSFER PAYMENTS</u></b>			
3065 Payments to MOD (Air Terminal)	86,820.00		<i>Carryover from 2010/2011.</i> Invoices not received during 2010/2011.
4632 Contribution to Met. Services	<u>36,500.00</u>	123,320.00	<i>Carryover from 2010/2011.</i> Invoices not received during 2010/2011.
<b>TOTAL</b>	<b><u>480,880.00</u></b>	<b><u>480,880.00</u></b>	

**DIRECTORATE SUMMARY**

0410 NATURAL RESOURCES	10,920.00
0620 MINERAL RESOURCES	100,000.00
0700 CORPORATE RESOURCES	246,640.00

0999 TRANSFER PAYMENTS

123,320.00

TOTAL

480,880.00