

EXECUTIVE COUNCIL

CONFIDENTIAL

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

Paper No: 56/11

Date: 24 February 2011

Report of: Financial Secretary

1. Purpose

- 1.1 The purpose of this paper is to present the Supplementary Appropriation (2010-2011) 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 25 February 2011.

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) Ordinance 2010 (No 9 of 2010)	843,700
The Supplementary Appropriation (2010-2011) Bill 2011	1,172,750
Total	44,431,250

4. Background

- 4.1 This Bill (attached at Annex A) covers supplementary expenditure amounting to £1,172,750. £172,750 of this amount was authorised to be advanced from the Contingencies Fund under Contingencies Warrant Nos 3 & 4 of 2010/2011 as shown on Report No 2 (attached at Annex B), and approved by Standing Finance Committee on 20 October 2010 and 27 January 2011.

The remaining £1,000,000 relates to the loan made to secure an international shipping service. Since there now appears to be no reasonable prospect of the loan

being repaid, it must be treated as an operating subsidy from an accounting viewpoint. This means that it must be appropriated from the Consolidated Fund rather than financed from the Capital Equalisation Fund.

- 4.2 The Bill will, if enacted, provide the legal authority for the additional sum of £1,172,750 to be withdrawn from the Consolidated Fund and for the Contingencies Fund to be replenished in respect of the amount of any sum advanced therefrom as authorised by the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 Nos 3 & 4 of 2010/2011.

5. **Legal Implications**

None.

6. **Human Resources Implications**

None.

The Treasury
Stanley

Supplementary Appropriation (2010-2011) 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 (2010-2011) 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 £1,172,750 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 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 £1,172,750 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 Schedules.

4. Replenishment of Contingencies Fund

If any sum has been withdrawn from the Contingencies Fund by the authority of Contingencies Warrant numbers 3 and 4 of 2010-2011, the Financial Secretary will replenish the fund from the additional sum withdrawn under section 3.

SCHEDULE 1

Number	Head of Service	Amount £
	<u>Operating Budget</u>	
0550	<u>Community Safety</u>	450
0600	<u>Executive Management</u>	78,760
0620	<u>Mineral Resources</u>	36,100
0700	<u>Corporate Resources</u>	57,440
	<u>Total Operating Budget</u>	<hr/> <hr/> 172,750
	<u>Total Schedule 1</u>	<hr/> <hr/> 172,750 <hr/> <hr/>

SCHEDULE 2

Number	Head of Service	Amount £
	<u>Operating Budget</u>	
0999	<u>Transfer Payments</u>	1,000,000
	<u>Total Operating Budget</u>	<hr/> <hr/> 1,000,000
	<u>Total Schedule 2</u>	<hr/> <hr/> 1,000,000 <hr/> <hr/>
	TOTAL SUPPLEMENTARY EXPENDITURE	<hr/> <hr/> 1,172,750 <hr/> <hr/>

OBJECTS AND REASONS

The Bill provides for:-

(1) supplementary expenditure of £1,172,750; and

(2) the Contingencies Fund to be replenished to the extent that any sums have been advanced under the authority of Contingencies Warrant Nos 3 & 4 of 2010/2011.

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

Report No 2 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>0550 COMMUNITY SAFETY</u>				
<u>0300 Customs & Immigration</u>				
0611 Printing Costs	<u>450.00</u>	450.00	4-SFC 27/01/11	Required as a result of the Executive Council's recommendations for the provision of written information to visitors. <i>Exco Paper 43/11; SFC Minute 12.5 refer</i>
<u>0600 EXECUTIVE MANAGEMENT</u>				
<u>0453 Courts</u>				
0600 Telephones etc	1,000.00		4-SFC 27/01/11	Additional funding required due to the number of Supreme Court cases compared to previous years.
0608 Stationery	500.00		4-SFC 27/01/11	
1111 Honorarium & Expenses SC Judge	4,000.00		4-SFC 27/01/11	<i>SFC Paper 04/11; SFC Minute 10.1 refer</i>
1117 Legal Aid	70,000.00		4-SFC 27/01/11	
<u>0850 FI Govt Office - London</u>				
1176 Public Relations	<u>3,260.00</u>	78,760.00	4-SFC 27/01/11	Funding approved in connection with Exco Paper 45/11. Balance of funding approved held under code 0602-2000 until requested information has been received. <i>Exco Paper 45/11; SFC Minute 16.8 refer</i>
<u>0620 MINERALS</u>				
0310 Salaries & Wages	16,100.00		3-SFC 22/10/10	Funding required as a result of Executive Council's recommendation for the establishment of a full time post of Projects Officer (initially for 2 years) and the regrading of the Administrative Manager (subject to re-evaluation). <i>Exco Paper 240/10; SFC Minute 10.5 refer</i>
0335 Recruitment Costs	<u>20,000.00</u>	36,100.00	3-SFC 22/10/10	Additional funding required as a result of the Executive Council recommendation for the continued establishment of the post of Director of Mineral Resources. The additional provision is for recruitment costs and some anticipated 'dual running' between outgoing and incoming Directors. <i>Exco Paper 244/10; SFC Minute 10.4 refer</i>

Report No 2 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>0700 CORPORATE RESOURCES</u>			
<u>0602 Treasury</u>			
2000 Budget Reserve	37,440.00	4-SFC 27/01/11	Funding approved in connection with Exco Paper 45/11. This represents balance of funding approved but withheld until requested information has been received. Remainder approved under code 0850-1176. <i>Exco Paper 45/11; SFC Minute 16.8 refer</i>
	<u>20,000.00</u>	57,440.00	4-SFC 27/01/11
			Funding required in connection with the decision to continue the establishment of the legislative drafting post for 2 years. Funds placed in reserve code pending confirmation that recruitment will be required. <i>Exco Paper 05/11; SFC Minute 16.9 refer</i>
TOTAL	<u><u>172,750</u></u>	<u><u>172,750</u></u>	
<u>Summary</u>			
Contingencies Warrant No 3	36,100	Standing Finance Committee 20 October 2010	
Contingencies Warrant No 4	<u>136,650</u>	Standing Finance Committee 27 January 2011	
	<u><u>172,750</u></u>		
<u>DIRECTORATE SUMMARY</u>			
0550 COMMUNITY SAFETY	450		
0600 EXECUTIVE MANAGEMENT	78,760		
0620 MINERALS	36,100		
0700 CORPORATE RESOURCES	57,440		
TOTAL	<u><u>172,750</u></u>		