

Vote 5

Provincial and Local Government

Amount to be appropriated	Main appropriation R15 580 777 000	Adjusted appropriation R15 960 427 000	Decrease	Increase R379 650 000
Responsible minister	Minister of Provincial and Local Government			
Administering department	Department of Provincial and Local Government			
Accounting officer	Director-General of Provincial and Local Government			

Aim

The aim of the Department of Provincial and Local Government is to develop and promote a national system of integrated and co-operative governance and to support provincial and local government.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2005

Table 5.1: Provincial and Local Government

Programme	2005/06						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1.Administration	80 774	–	–	4 300	–	4 300	85 074
2.Governance, Policy and Research	25 541	–	–	(1 500)	–	(1 500)	24 041
3.Urban and Rural Development	9 253	–	–	(300)	–	(300)	8 953
4.Systems and Capacity Building	67 949	–	1 950	(4 760)	26 000	23 190	91 139
5.Free Basic Services and Infrastructure	39 727	–	–	(2 500)	–	(2 500)	37 227
6.Provincial and Local Government Transfers	15 279 502	–	351 700	–	–	351 700	15 631 202
7.Fiscal Transfers	78 031	345	–	4 760	(345)	4 760	82 791
Total	15 580 777	345	353 650	–	25 655	379 650	15 960 427

2005/06							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Economic classification							
Current payments	229 018	345	–	(2 079)	21 655	19 921	248 939
Compensation of employees	121 056	–	–	(17 500)	–	(17 500)	103 556
Goods and services	107 962	345	–	15 421	21 655	37 421	145 383
Transfers and subsidies to:	15 345 969	–	353 650	1 381	4 000	359 031	15 705 000
Provinces and municipalities	15 279 865	–	351 700	–	–	351 700	15 631 565
Departmental agencies and accounts	53 318	–	1 950	12 546	–	14 496	67 814
Public corporations and private enterprises	–	–	–	121	–	121	121
Non-profit institutions	12 786	–	–	(11 286)	4 000	(7 286)	5 500
Payments for capital assets	5 790	–	–	698	–	698	6 488
Machinery and equipment	5 790	–	–	698	–	698	6 488
Total	15 580 777	345	353 650	–	25 655	379 650	15 960 427

Details of adjustments to Estimates of National Expenditure 2005

Roll-overs – R345 000

Programme 7: Fiscal Transfers

R345 000 has been rolled over for accommodation rental for the Commission on Traditional Leadership Disputes and Claims.

Unforeseeable and unavoidable expenditure – R353,65 million

R1,95 million has been allocated for South Africa's contribution towards an Indian Ocean tsunami warning system.

R40,7 million has been allocated for disaster-related damages.

R311 million has been allocated for the supply of emergency water to municipalities.

Virements

Table 5.2: Provincial and Local Government (Net effect of all virements)

From	R thousand	To	R thousand
Programme			
2 Governance, Policy and Research	1 500	1 Administration	4 300
3 Urban and Rural Development	300	7 Fiscal Transfers	4 760
4 Systems and Capacity Building	4 760		
5 Free Basic Services and Infrastructure	2 500		
Economic classification item			
Compensation of employees	17 850	Goods and services	15 771
		Machinery and equipment	698
		Transfer payments	1 381

Details of savings

Programme 2: Governance, Policy and Research

Savings of R1,5 million are due to vacant posts.

Programme 3: Urban and Rural Development

Savings of R300 000 are due to vacant posts.

Programme 4: Systems and Capacity Building

Savings of R4,76 million are due to reprioritised consultancy services.

Programme 5: Free Basic Services and Infrastructure

Savings of R2,5 million are due to vacant posts.

Utilisation of savings

Programme 1: Administration

R4,3 million has been used for co-sourcing the internal audit function, additional communication costs and IT support and equipment.

Programme 7: Fiscal Transfers

R4,76 million has been transferred to the Municipal Demarcation Board to address the problem of cross-boundary municipalities.

Virements within a programme

Programme 1: Administration

Savings on compensation of employees of R4,9 million, due to vacant posts, have been shifted to goods and services for additional security services at a second building, administrative support and inventories.

Programme 2: Governance, Policy and Research

Savings on compensation of employees of R1,7 million, due to vacant posts, have been shifted to goods and services for travel and subsistence costs associated with international relations.

Programme 4: Systems and Capacity Building

Savings of R6 million under compensation of employees, due to vacant posts, have been shifted to goods and services for disaster management and additional travelling arising from Project Consolidate.

Programme 5: Free Basic Services and Infrastructure

Savings on compensation of employees of R2,5 million, due to vacant posts, have been shifted to goods and services for additional travelling arising from Project Consolidate.

Other adjustments – R25,655 million

Shifting of funds between votes

Programme 4: Systems and Capacity Building

R26 million will be transferred from the Department of Water Affairs and Forestry for the Working on Fire project administered by the Department of Provincial and Local Government.

Programme 7: Fiscal Transfers

R345 000 will be transferred to the Department of Public Works for accommodation rental for the Commission on Traditional Leadership Disputes and Claims.

Expenditure 2004/05 and preliminary expenditure 2005/06

Table 5.3: Provincial and Local Government

Programme	2004/05				2005/06		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2004 - Sep 2004	Apr 2004 - Mar 2005	Apr 04 - Mar 05 % of adjusted appropriation	Adjusted appropriation	Apr 2005 - Sep 2005	% change 04/05 - 05/06 Apr - Sep
R thousand							
1. Administration	86 629	36 661	87 892	101,5	85 074	42 600	16,2
2. Governance, Policy and Research	26 043	8 673	20 473	78,6	24 041	10 796	24,5
3. Urban and Rural Development	9 020	2 233	5 536	61,4	8 953	3 703	65,8
4. Systems and Capacity Building	66 748	34 905	68 425	102,5	91 139	36 908	5,7
5. Free Basic Services and Infrastructure	35 753	7 026	27 092	75,8	37 227	11 938	69,9
6. Provincial and Local Government Transfers	12 840 924	4 727 081	12 840 923	100,0	15 631 202	5 839 816	23,5
7. Fiscal Transfers	72 264	15 928	70 736	97,9	82 791	34 232	114,9
Total	13 137 381	4 832 507	13 121 077	99,9	15 960 427	5 979 993	23,7
Current payments	229 051	91 294	212 575	92,8	248 939	109 967	20,5
Compensation of employees	96 344	33 000	71 918	74,6	103 556	45 490	37,8
Goods and services	132 707	58 289	140 528	105,9	145 383	64 459	10,6
Financial transactions in assets and liabilities	-	5	129	-	-	18	260,0
Transfers and subsidies to:	12 902 923	4 739 588	12 902 962	100,0	15 705 000	5 867 644	23,8
Provinces and municipalities	12 841 266	4 727 182	12 841 143	100,0	15 631 565	5 839 958	23,5
Departmental agencies and accounts	50 423	12 000	60 126	119,2	67 814	27 063	125,5
Foreign governments and international organisations	-	-	114	-	-	-	-
Public corporations and private enterprises	31	31	52	167,7	121	62	100,0
Non-profit institutions	11 203	375	1 500	13,4	5 500	375	-
Households	-	-	27	-	-	186	-
Payments for capital assets	5 407	1 625	5 540	102,5	6 488	2 382	46,6
Machinery and equipment	5 407	1 625	5 100	94,3	6 488	2 339	43,9
Software and other intangible assets	-	-	440	-	-	43	-
Total	13 137 381	4 832 507	13 121 077	99,9	15 960 427	5 979 993	23,7

Selected expenditure trends for the first half of 2005/06

Expenditure in the first six months of 2005/06 has increased by 23,78 per cent compared to the same period of the previous year.

The main increases are related to improved capacity and funds transferred to public authorities and other institutions in terms of agreements between government and those authorities and institutions.

Summary of transfer and subsidies and conditional grants

Table 5.4 Summary of transfers and subsidies per programme

Table 5.5 Summary of conditional grants to provinces

Table 5.6 Summary of conditional grants to local government

Table 5.4: Summary of transfers and subsidies per programme

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1.Administration	137	-	-	121	-	121	258
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	137	-	-	-	-	-	137
Regional Services Council levies	137	-	-	-	-	-	137
Public corporations and private enterprises							
Private enterprises							
Subsidies on production							
Current	-	-	-	121	-	121	121
Glenrand M.I.B Insurance	-	-	-	121	-	121	121
2.Governance, Policy and Research	56	-	-	-	-	-	56
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	56	-	-	-	-	-	56
Regional Services Council levies	56	-	-	-	-	-	56
3.Urban and Rural Development	18	-	-	-	-	-	18
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	18	-	-	-	-	-	18
Regional Services Council levies	18	-	-	-	-	-	18
4.Systems and Capacity Building	84	-	1 950	-	4 000	5 950	6 034
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	84	-	-	-	-	-	84
Regional Services Council levies	84	-	-	-	-	-	84
Departmental agencies and accounts							
Public entities							
Current	-	-	1 950	-	-	1 950	1 950
Disaster management	-	-	1 950	-	-	1 950	1 950
Non-profit institutions							
Current	-	-	-	-	4 000	4 000	4 000
SA Red Cross Society	-	-	-	-	4 000	4 000	4 000

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
5.Free Basic Services and Infrastructure	57	-	-	-	-	-	57
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	57	-	-	-	-	-	57
Regional Services Council levies	57	-	-	-	-	-	57
6.Provincial and Local Government Transfers	15 279 502	-	351 700	-	-	351 700	15 631 202
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Current	-	-	40 700	-	-	40 700	40 700
Disaster Relief	-	-	40 700	-	-	40 700	40 700
Municipalities							
Municipal bank accounts							
Current	9 843 341	-	311 000	-	-	311 000	10 154 341
Equitable Share Transfer to Municipalities	9 643 341	-	-	-	-	-	643 341
Municipal Systems Improvement Programme	200 000	-	-	-	-	-	200 000
Disaster Relief	-	-	311 000	-	-	311 000	311 000
Capital	5 436 161	-	-	-	-	-	5 436 161
Municipal Infrastructure Grant	5 436 161	-	-	-	-	-	5 436 161
7.Fiscal Transfers	66 115	-	-	1 260	-	1 260	67 375
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	11	-	-	-	-	-	11
Regional Service Council levies	11	-	-	-	-	-	11
Departmental agencies and accounts							
Public entities							
Current	53 318	-	-	12 546	-	12 546	65 864
South African Local Government Association	18 385	-	-	-	-	-	18 385
Municipal Infrastructure Investment Unit	11 234	-	-	-	-	-	11 234
Municipal Demarcation Board	23 699	-	-	1 260	-	1 260	24 959
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-	-	-	11 286	-	11 286	11 286
Non-profit institutions							
Current	12 786	-	-	(11 286)	-	(11 286)	1 500
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	11 286	-	-	(11 286)	-	(11 286)	-
South African Cities Network	1 500	-	-	-	-	-	1 500
Total	15 345 969	-	353 650	1 381	4 000	359 031	15 705 000

Table 5.5: Summary of conditional grants to provinces¹

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
6. Provincial and Local Government Transfers							
Disaster Relief	–	–	40 700	–	–	40 700	40 700
Total		–	40 700	–	–	40 700	40 700

¹ Main appropriation detail provided in the Division of Revenue Act, 2005

Table 5.6: Summary of conditional grants to local government (municipalities)¹

R thousand	2005/06						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
6. Provincial and Local Government Transfers							
Municipal Systems Improvement Programme	200 000	–	–	–	–	–	200 000
Municipal Infrastructure Grant	5 436 161	–	–	–	–	–	5 436 161
Disaster Relief	–	–	311 000	–	–	311 000	311 000
Total	5 636 161	–	311 000	–	–	311 000	5 947 161

¹ Main appropriation detail provided in the Division of Revenue Act, 2005

