

Vote 5

Provincial and Local Government

Amount to be appropriated	Main appropriation R12 850 768 000	Adjusted appropriation R13 137 381 000	Decrease	Increase R286 613 000
Responsible minister	Minister for 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 cooperative governance, and to support provincial and local government.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes and measurable objectives.

Adjusted 2004 Estimates of National Expenditure

Table 5.1: Provincial and Local Government

Programme	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virement	Other adjustments		
R thousand							
1 Administration	88 266	–	–	650	(2 287)	(1 637)	86 629
2 Governance, Policy and Research	26 978	–	–	(935)	–	(935)	26 043
3 Urban and Rural Development	9 878	–	–	(858)	–	(858)	9 020
4 Systems and Capacity Building	64 819	3 400	–	(1 471)	–	1 929	66 748
5 Free Basic Services and Infrastructure	28 989	–	–	6 764	–	6 764	35 753
6 Provincial and Local Government Transfers	12 566 924	–	–	(6 000)	280 000	274 000	12 840 924
7 Fiscal Transfers	64 914	–	5 500	1 850	–	7 350	72 264
Total	12 850 768	3 400	5 500	–	277 713	286 613	13 137 381
Economic classification							
Current payments	222 168	3 400	–	5 770	(2 287)	6 883	229 051
Compensation of employees	108 185	–	–	(11 841)	–	(11 841)	96 344
Goods and services	113 983	3 400	–	17 611	(2 287)	18 724	132 707
Interest and rent on land	–	–	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Unauthorised expenditure	–	–	–	–	–	–	–

R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	12 623 193	–	5 500	(5 770)	280 000	279 730	12 902 923
Provinces and municipalities	12 567 267	–	–	(6 001)	280 000	273 999	12 841 266
Departmental agencies and accounts	44 923	–	5 500	–	–	5 500	50 423
Universities and technikons	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	31	–	31	31
Non-profit institutions	9 503	–	–	200	–	200	9 703
Households	1 500	–	–	–	–	–	1 500
Payments for capital assets	5 407	–	–	–	–	–	5 407
Buildings and other fixed structures	–	–	–	–	–	–	–
Machinery and equipment	5 407	–	–	–	–	–	5 407
Cultivated assets	–	–	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–	–	–
Total	12 850 768	3 400	5 500	–	277 713	286 613	13 137 381

Details of adjustments to 2004 Estimates of National Expenditure

Roll-overs – R3,4 million

Programme 4: Systems and Capacity Building

R3,400 million has been rolled over to complete a reconstruction project in a declared disaster area. The involvement of the local community in the project resulted in delays. The project was completed in August 2004.

Unforeseeable and unavoidable expenditure – R5,500 million

Programme 7: Fiscal Transfers

R5,500 million has been allocated for the Municipal Demarcation Board to finalise ward boundaries before the next local government elections.

Virement

Table 5.2: Provincial and Local Government

From programme	Amount	To programme	Amount
R thousand			
2 Governance, Policy and Research	935	1 Administration	650
3 Urban and Rural Development	858	5 Free Basic Services and Infrastructure	6 764
4 Systems and Capacity Building	1 471	7 Fiscal Transfers	1 850
6 Provincial and Local Government Transfers	6 000		

Details of savings realised on the above programmes

Programme 2: Governance, Policy and Research

Savings of R935 000 are due to delays in the filling of posts.

Programme 3: Urban and Rural Development

Savings of R858 000 are due to delays in the filling of posts.

Programme 4: Systems and Capacity Building

Savings of R1,471 million are due to delays in the filling of posts.

Programme 6: Provincial and Local Government Transfers

R6 million was saved on municipal project management costs.

Utilisation of savings to augment the above programmes

Programme 1: Administration

R650 000 will be used for essential IT and management requirements and to co-source the internal audit function to address the revised audit plan resulting from a detailed risk assessment.

Programme 5: Free Basic Services and Infrastructure

R764 000 will be used to complete the study which started in 2003/04 on the roll-out of free basic services.

R6 million will be used for essential personnel and other resources at the national project management unit.

Programme 7: Fiscal Transfers

R1,850 million will be used to fund a national conference on initiation schools and additional support staff for the National House of Traditional Leaders.

Funds shifted within a programme

Programme 7: Fiscal Transfers

R200 000 originally allocated to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities under goods and services has been shifted to transfers to the commission because the commission is now operational.

Other adjustments – (R277,713 million)

Expenditure announced in the 2004 Budget but not allocated

Programme 6: Provincial and Local Government Transfers

R280 million has been allocated for drought relief, specifically water for human consumption.

Shifting of funds between votes

Programme 1: Administration

R2,287 million will be transferred to the Department of Public Works for rental of additional accommodation.

Actual expenditure and revised spending projections for the remainder of the financial year

Table 5.3: Provincial and Local Government

Programme	Adjusted appropriation	Preliminary expenditure outcome		Projected expenditure	
		April 2004 to September 2004	Percentage of adjusted appropriation	October 2004 to March 2005	Percentage of adjusted appropriation
R thousand					
1 Administration	86 629	36 656	42,3	49 973	57,7
2 Governance, Policy and Research	26 043	8 673	33,3	17 370	66,7
3 Urban and Rural Development	9 020	2 233	24,8	6 787	75,2
4 Systems and Capacity Building	66 748	34 905	52,3	31 843	47,7
5 Free Basic Services and Infrastructure	35 753	7 026	19,7	28 727	80,3
6 Provincial and Local Government Transfers	12 840 924	4 727 081	36,8	8 113 843	63,2
7 Fiscal Transfers	72 264	15 928	22,0	56 336	78,0
Special Programme: Thefts and Losses	–	5	–	(5)	–
Total	13 137 381	4 832 507	36,8	8 304 874	63,2
Economic classification					
Current payments	229 051	91 294	39,9	137 757	60,1
Compensation of employees	96 344	33 000	34,3	63 344	65,7
Goods and services	132 707	58 289	43,9	74 418	56,1
Interest and rent on land	–	–	–	–	–
Financial transactions in assets and liabilities	–	5	–	(5)	–
Unauthorised expenditure	–	–	–	–	–
Transfers and subsidies to:	12 902 923	4 739 588	36,7	8 163 335	63,3
Provinces and municipalities	12 841 266	4 727 182	36,8	8 114 084	63,2
Departmental agencies and accounts	50 423	12 000	23,8	38 423	76,2
Universities and technikons	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–
Public corporations and private enterprises	31	31	100,0	–	–
Non-profit institutions	9 703	–	–	9 703	100,0
Households	1 500	375	25,0	1 125	75,0
Payments for capital assets	5 407	1 625	30,1	3 782	69,9
Buildings and other fixed structures	–	–	–	–	–
Machinery and equipment	5 407	1 625	30,1	3 782	69,9
Cultivated assets	–	–	–	–	–
Software and other intangible assets	–	–	–	–	–
Land and subsoil assets	–	–	–	–	–
Total	13 137 381	4 832 507	36,8	8 304 874	63,2

Table 5.4: Summary of transfers and subsidies per programme

	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments			
1 Administration	159	-	-	30	-	30	189	
Provinces and municipalities								
Municipalities								
Current	159	-	-	(1)	-	(1)	158	
Regional Services Council levies	159	-	-	(1)	-	(1)	158	
Private enterprises (Other transfers)								
Current	-	-	-	31	-	31	31	
Glennard M.I.B. Insurance Brokers	-	-	-	31	-	31	31	
2 Governance, Policy and Research	62	-	-	-	-	-	62	
Provinces and municipalities								
Municipalities								
Current	62	-	-	-	-	-	62	
Regional Services Council levies	62	-	-	-	-	-	62	
3 Urban and Rural Development	19	-	-	-	-	-	19	
Provinces and municipalities								
Municipalities								
Current	19	-	-	-	-	-	19	
Regional Services Council levies	19	-	-	-	-	-	19	

	Main appropriation	Additional appropriation					Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments			
R thousand								
4 Systems and Capacity Building	64						64	
Provinces and municipalities								
Municipalities								
Current	64						64	
Regional Services Council levies	64						64	
5 Free Basic Services and Infrastructure	34						34	
Provinces and municipalities								
Municipalities								
Current	34						34	
Regional Services Council levies	34						34	
6 Provincial and Local Government Transfers	12 566 924			(6 000)	280 000	274 000	12 840 924	
Provinces and municipalities								
Provincial Revenue Funds								
Current	261 192						261 192	
Local government capacity building	220 459						220 459	
Municipal infrastructure grant	40 733						40 733	
Municipalities	7 859 789				280 000	280 000	8 139 789	
Current	7 677 546						7 677 546	
Equitable share transfer to municipalities	182 243						182 243	
Municipal systems improvement programme								
Disaster relief					280 000	280 000	280 000	

	Main appropriation	Additional appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments	Total additional appropriation		
R thousand	4 445 943	-	-	(6 000)	-	(6 000)	4 439 943	
Capital	4 445 943	-	-	(6 000)	-	(6 000)	4 439 943	
Municipal infrastructure grant	5	-	-	-	-	-	5	
Current	5	-	-	-	-	-	5	
Regional Services Council levies	44 923	-	5 500	-	-	5 500	50 423	
Current	17 300	-	-	-	-	-	17 300	
South African Local Government Association	10 600	-	-	-	-	-	10 600	
Municipal Infrastructure Investment Unit	-	-	-	-	-	-	-	
Public Sector Education and Training Authority	17 023	-	5 500	-	-	5 500	22 523	
Municipal Demarcation Board	9 503	-	-	200	-	200	9 703	
Current	9 503	-	-	200	-	200	9 703	
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	1 500	-	-	-	-	-	1 500	
Current	1 500	-	-	-	-	-	1 500	
South African Cities Network	12 623 193	-	5 500	(5 770)	280 000	279 730	12 902 923	
Total								

Table 5.5: Summary of conditional grants to provinces ¹

R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement adjustments	Other adjustments	
6 Provincial and Local Government Transfers						
Local government capacity building	220 459	-	-	-	-	220 459
6 Provincial and Local Government Transfers						
Municipal infrastructure grant	40 733	-	-	-	-	40 733
Total	261 192	-	-	-	-	261 192

¹ Main appropriation detail provided in the Division of Revenue Act, 2004

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

R thousand	Main appropriation	Additional appropriation				Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement adjustments	Other adjustments	
6 Provincial and Local Government Transfers						
Municipal systems improvement programme	182 243	-	-	-	-	182 243
6 Provincial and Local Government Transfers						
Municipal infrastructure grant	4 445 943	-	-	(6 000)	-	4 439 943
6 Provincial and Local Government						
Disaster relief	-	-	-	280 000	-	280 000
Total	4 628 186	-	-	(6 000)	280 000	4 902 186