

Vote 18

Social Development

R thousand	2006/07			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	62 005 460	62 382 425	-	376 965
<i>of which:</i>				
Current payments	277 304	265 913	(11 391)	-
Transfers and subsidies	61 722 516	62 110 322	-	387 806
Payments for capital assets	5 640	6 190	-	550
Executive authority	Minister of Social Development			
Accounting officer	Director-General of Social Development			

Aim

The aim of the Department of Social Development is to ensure the provision of comprehensive, integrated, sustainable and quality social development services against vulnerability and poverty and to create an enabling environment for sustainable development in partnership with those committed to building a caring society.

Changes to programme purposes and measurable objectives

No changes were made to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 18.1: Social Development

Programme	2006/07						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1. Administration	116 590	-	-	-	-	116 590	
2. Comprehensive Social Protection	48 866	-	-	-	-	48 866	
3. Social Security Transfers and Administration	61 535 515	376 965	-	-	376 965	61 912 480	
4. Social Welfare Services	104 131	-	-	-	-	104 131	
5. Development and Research	172 516	-	-	-	-	172 516	
6. Strategy, Regulatory and Oversight Management	27 842	-	-	-	-	27 842	
Total	62 005 460	376 965	-	-	376 965	62 382 425	
Economic classification							
Current payments	277 304	-	-	(11 391)	(11 391)	265 913	
Compensation of employees	124 845	-	-	-	-	124 845	
Goods and services	152 459	-	-	(11 391)	(11 391)	141 068	

Table 18.1: Social Development (continued)

		2006/07					
		Additional appropriation				Total additional appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	61 722 516	376 965	-	10 841	-	387 806	62 110 322
Provinces and municipalities	107	-	-	-	-	-	107
Departmental agencies and accounts	3 938 418	376 965	-	-	-	376 965	4 315 383
Universities and technikons	-	-	-	4 900	-	4 900	4 900
Foreign governments and international organisations	1 321	-	-	-	-	-	1 321
Non-profit institutions	47 561	-	-	500	-	500	48 061
Households	57 735 109	-	-	5 441	-	5 441	57 740 550
Payments for capital assets	5 640	-	-	550	-	550	6 190
Machinery and equipment	4 920	-	-	550	-	550	5 470
Software and other intangible assets	720	-	-	-	-	-	720
Total	62 005 460	376 965	-	-	-	376 965	62 382 425

Details of adjustments to Estimates of National Expenditure 2006

Roll-overs – R376,965 million

Programme 3: Social Security Transfers and Administration

R55,772 million has been rolled over for implementing and finalising the first phase of the management and information system for social security. This will be reflected as a transfer to the South African Social Security Agency (SASSA).

An additional R51,5 million has been approved as roll-over funds for social security legal costs.

R269,7 million from under-spending on social assistance administration will be rolled over to SASSA once it is surrendered by all provincial treasuries to the National Revenue Fund. The funding will be used to cover litigation costs from 2005/06 and 2006/07, for improving financial management systems, and for costs associated with the relocation of the social grants personnel in provinces to SASSA regional offices.

Virements

Table 18.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(1 200)	1 200	
Current payments	(1 200)	650	
Compensation of employees	(1 200)	-	Savings as a result of the slow filling of funded vacant posts
Goods and services	-	650	Funds shifted from compensation of employees (in this programme) will be used for monitoring the social assistance transfer funds.
Payments for capital assets	-	550	
Machinery and equipment	-	550	Funds shifted from compensation of employees (in this programme) will be used for monitoring the social assistance transfer funds.

Table 18.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
2. Comprehensive Social Protection	(5 441)	5 441	
Current payments	(5 441)	-	
Goods and services	(5 441)	-	The allocation for social grants to South African citizens in Walvis Bay was incorrectly classified here.
Transfers and subsidies	-	5 441	
Households	-	5 441	The incorrectly classified allocation for social grants to South African citizens in Walvis Bay was shifted here.
5. Development and Research	(3 040)	3 040	
Current payments	(3 040)	2 540	
Compensation of employees	-	2 540	Funds incorrectly classified under goods and services will be used for contract workers for completing the integrated development services grant programme.
Goods and services	(3 040)	-	Funds were incorrectly classified here for paying contract workers employed first to assist with the management and roll-out of the national food emergency scheme and then for the integrated development services grant programme.
Transfers and subsidies	-	500	
Non-profit institutions	-	500	Funds shifted from goods and service (in this programme) will be used for a new partnership on training and deploying young unemployed graduates as social entrepreneurs.
6. Strategy, Regulatory and Oversight Management	(4 900)	4 900	
Current payments	(4 900)	-	
Compensation of employees	(1 340)	-	Savings are a result of the slow filling of funded vacant posts.
Goods and services	(3 560)	-	Savings are a result of the slow filling of funded vacant posts.
Transfers and Subsidies	-	4 900	
Universities and technikons	-	4 900	Funds shifted from compensation of employees and goods and services will be used for the second phase of the partnership between the department and the University of Pretoria for capacity building in aspects of the economics of social protection.
Total for vote	(14 581)	14 581	

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 18.3: Social Development

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
R thousand							
1. Administration	136 145	45 179	94 492	69,4	116 590	52 897	17,1
2. Comprehensive Social Protection	210 436	45 094	166 530	79,1	48 866	17 827	(60,5)
3. Social Security Transfers and Administration	55 558 738	29 602 272	54 563 568	98,2	61 912 480	33 738 011	14,0
4. Social Welfare Services	85 690	60 706	85 285	99,5	104 131	47 067	(22,5)
5. Development and Research	160 736	79 915	158 242	98,4	172 516	87 048	8,9
6. Strategy, Regulatory and Oversight Management	-	-	-	-	27 842	19 091	(100,0)
Total	56 151 745	29 833 166	55 068 117	98,1	62 382 425	33 961 941	13,8
Current payments	494 757	170 543	404 650	81,8	265 913	130 995	(23,2)
Compensation of employees	115 657	56 544	114 634	99,1	124 845	50 697	(10,3)
Goods and services	379 100	113 999	289 822	76,5	141 068	80 298	(29,6)

Table 18.3: Social Development (continued)

R thousand	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
Transfers and subsidies	55 625 893	29 650 902	54 635 658	98,2	62 110 322	33 828 585	14,1
Provinces and municipalities	55 405 660	29 562 928	54 416 820	98,2	107	88	(100,0)
Departmental agencies and accounts	121 482	60 741	121 484	100,0	4 315 383	1 928 888	3075,6
Universities and technikons	3 465	-	3 465	100,0	4 900	-	(100,0)
Foreign governments and international organisations	793	733	205	25,9	1 321	-	(100,0)
Non-profit institutions	47 493	21 500	51 391	108,2	48 061	25 070	16,6
Households	47 000	5 000	42 293	90,0	57 740 550	31 873 572	637371,4
Payments for capital assets	31 095	11 721	27 809	89,4	6 190	2 361	(79,9)
Machinery and equipment	13 052	11 721	10 224	78,3	5 470	2 317	(80,2)
Software and other intangible assets	18 043	-	17 585	97,5	720	44	(100,0)
Total	56 151 745	29 833 166	55 068 117	98,1	62 382 425	33 961 941	13,8

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/07 was R33,96 billion, or 54,4 per cent of the adjusted appropriation of R62,4 billion for the financial year. Expenditure in the first six months of 2006/07 increased by 13,8 per cent compared to the same period of the previous financial year.

The substantial increases in spending on transfers to departmental agencies and accounts and to households is due to increased transfers relating to social grant payments, the reimbursement of the Western Cape department of social development for social grant payments made to South African citizens in Walvis Bay in line with the agreement between South Africa and Namibia, transfers to non-governmental organisations with which the department has established partnerships to deliver critical services and the technical shift of social assistance transfers from conditional grants in 2005/06 to transfers to households in 2006/07.

Summary of changes to transfers and subsidies, and conditional grants

Table 18.4: Summary of changes to transfers and subsidies per programme

R thousand	2006/07						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
2. Comprehensive Social Protection	15 544	-	-	5 441	-	5 441	20 985
Households							
Social benefits							
Current	-	-	-	5 441	-	5 441	5 441
Western Cape (Walvis Bay)	-	-	-	5 441	-	5 441	5 441
Other transfers							
Current	15 000	-	-	-	-	-	15 000
Social Relief Fund	5 000	-	-	-	-	-	5 000

Table 18.4: Summary of changes to transfers and subsidies per programme (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
3. Social Security Transfers and administration	61 535 515	376 965	-	-	-	376 965	61 912 480
Departmental agencies and accounts							
Entities							
Current	3 815 406	376 965	-	-	-	376 965	4 192 371
South African Social Security Agency: Grant administration integrity	96 086	55 772	-	-	-	55 772	151 858
South African Social Security Agency: Social assistance administration	3 584 320	321 193	-	-	-	321 193	3 905 513
5. Development and Research	124 028	-	-	500	-	500	124 528
Non-profit institutions							
Current	367	-	-	500	-	500	867
Non Profit Organisations Partnership Fund	367	-	-	500	-	500	867
6. Strategy, Regulatory and Oversight Management	-	-	-	4 900	-	4 900	4 909
Universities and technikons							
Current	-	-	-	4 900	-	4 900	4 900
University of Pretoria	-	-	-	4 900	-	4 900	4 900

