

# Vote 17

## Social Development

### Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>148 937 729</b>	<b>147 933 229</b>	<b>(1 004 500)</b>	<b>-</b>
<b>of which:</b>				
Current payments	802 307	797 487	(4 820)	-
Transfers and subsidies	148 125 081	147 125 401	(999 680)	-
Payments for capital assets	10 341	10 341	-	-
Executive authority	Minister of Social Development			
Accounting officer	Director-General of Social Development			
Website address	www.dsd.gov.za			

### Vote purpose

*Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.*

### Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Total number of old age grant beneficiaries	Social Assistance	Outcome 13: An inclusive and responsive social protection system	3.3 million	3.2 million	-
Total number of war veterans grant beneficiaries	Social Assistance		162	214	-
Total number of disability grant beneficiaries	Social Assistance		1.09 million	1.07 million	-
Total number of child support grant beneficiaries	Social Assistance		12.3 million	12.1 million	-
Total number of foster care grant beneficiaries	Social Assistance		460 830	500 462	-
Total number of care dependency grant beneficiaries	Social Assistance		147 791	143 360	-
Total number of grant-in-aid beneficiaries	Social Assistance		164 756	134 494	-
Percentage of appeals per year adjudicated within 90 days	Social Security Policy and Administration		70% (1 540)	81% (898)	-
Number of youth awarded scholarships into the social service field per year	Welfare Services Policy Development and Implementation Support		4 472	4 752	-
Number of persons working with children screened against the child protection register per year	Welfare Services Policy Development and Implementation Support		50 000	61 245	-
Percentage of non-profit organisations' registration applications processed within 2 months of receipt per year	Social Policy and Integrated Service Delivery		99%	92%	-
Number of vulnerable individuals accessing food through a network of community nutrition and development centres per year	Social Policy and Integrated Service Delivery		415 000	176 505	-

## Mid-year progress

By the end of September 2016, 16.9 million beneficiaries were receiving social grants. The department exceeded its annual target for the screening of persons working with children against the child protection register, with 61 245 persons being screened by the end of the first half of 2016/17. This is because of intensified efforts to reduce the large backlog. Although performance related to the foster care grant seems to be exceeding the annual target, there is generally a decline in the fourth quarter. This is because of the fall-off in the number of beneficiaries, as 18-year-olds are not eligible for the grant unless they are still in school.

All targets except one are expected to be met by the end of the financial year: Due to a number of children being taken off the system in June 2016, following investigations prompted by the auditor general, the uptake of the child support grant has declined by more than anticipated and the number of beneficiaries is therefore not expected to reach 12.3 million by the end of 2016/17.

## Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Administration	322 512	-	-	18 500	(2 500)	-	16 000	338 512
Social Assistance	140 498 691	-	-	-	(1 000 000)	-	(1 000 000)	139 498 691
Social Security Policy and Administration	7 015 500	-	-	(18 500)	-	-	(18 500)	6 997 000
Welfare Services Policy	723 322	-	-	-	(2 000)	-	(2 000)	721 322
Development and Implementation Support	377 704	-	-	-	-	-	-	377 704
Social Policy and Integrated Service Delivery								
<b>Total</b>	<b>148 937 729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 004 500)</b>	<b>-</b>	<b>(1 004 500)</b>	<b>147 933 229</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>802 307</b>	<b>-</b>	<b>-</b>	<b>(320)</b>	<b>(4 500)</b>	<b>-</b>	<b>(4 820)</b>	<b>797 487</b>
Compensation of employees	458 857	-	-	-	(4 500)	-	(4 500)	454 357
Goods and services	343 450	-	-	(320)	-	-	(320)	343 130
<b>Transfers and subsidies</b>	<b>148 125 081</b>	<b>-</b>	<b>-</b>	<b>320</b>	<b>(1 000 000)</b>	<b>-</b>	<b>(999 680)</b>	<b>147 125 401</b>
Provinces and municipalities	85 500	-	-	-	-	-	-	85 500
Departmental agencies and accounts	7 395 243	-	-	-	-	-	-	7 395 243
Higher education institutions	2 469	-	-	-	-	-	-	2 469
Foreign governments and international organisations	3 970	-	-	320	-	-	320	4 290
Non-profit institutions	113 027	-	-	-	-	-	-	113 027
Households	140 524 872	-	-	-	(1 000 000)	-	(1 000 000)	139 524 872
<b>Payments for capital assets</b>	<b>10 341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 341</b>
Machinery and equipment	9 840	-	-	-	-	-	-	9 840
Software and other intangible assets	501	-	-	-	-	-	-	501
<b>Total</b>	<b>148 937 729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 004 500)</b>	<b>-</b>	<b>(1 004 500)</b>	<b>147 933 229</b>

## Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Ministry	33 561	-	-	8 000	-	-	8 000	41 561
Department Management	68 376	-	-	(3 800)	-	-	(3 800)	64 576
Corporate Management	114 266	-	-	10 800	-	-	10 800	125 066
Finance	57 844	-	-	2 000	-	-	2 000	59 844
Internal Audit	15 838	-	-	(500)	(2 500)	-	(3 000)	12 838
Office Accommodation	32 627	-	-	2 000	-	-	2 000	34 627
<b>Total</b>	<b>322 512</b>	<b>-</b>	<b>-</b>	<b>18 500</b>	<b>(2 500)</b>	<b>-</b>	<b>16 000</b>	<b>338 512</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>317 956</b>	<b>-</b>	<b>-</b>	<b>18 500</b>	<b>(2 500)</b>	<b>-</b>	<b>16 000</b>	<b>333 956</b>
Compensation of employees	193 856	-	-	-	(2 500)	-	(2 500)	191 356
Goods and services	124 100	-	-	18 500	-	-	18 500	142 600

**Programme 1: Administration (continued)**

Economic classification	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
<b>Transfers and subsidies</b>	<b>1 803</b>	-	-	-	-	-	-	<b>1 803</b>
Departmental agencies and accounts	1 378	-	-	-	-	-	-	1 378
Households	425	-	-	-	-	-	-	425
<b>Payments for capital assets</b>	<b>2 753</b>	-	-	-	-	-	-	<b>2 753</b>
Machinery and equipment	2 252	-	-	-	-	-	-	2 252
Software and other intangible assets	501	-	-	-	-	-	-	501
<b>Total</b>	<b>322 512</b>	-	-	<b>18 500</b>	<b>(2 500)</b>	-	<b>16 000</b>	<b>338 512</b>

**Programme 2: Social Assistance**

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Old Age	58 927 478	-	-	-	-	-	-	58 927 478
War Veterans	3 622	-	-	-	-	-	-	3 622
Disability	20 418 422	-	-	-	(400 000)	-	(400 000)	20 018 422
Foster Care	5 521 995	-	-	-	-	-	-	5 521 995
Care Dependency	2 676 824	-	-	-	-	-	-	2 676 824
Child Support	51 950 579	-	-	-	(600 000)	-	(600 000)	51 350 579
Grant-in-Aid	499 771	-	-	-	-	-	-	499 771
Social Relief of Distress	500 000	-	-	-	-	-	-	500 000
<b>Total</b>	<b>140 498 691</b>	-	-	-	<b>(1 000 000)</b>	-	<b>(1 000 000)</b>	<b>139 498 691</b>
<b>Economic classification</b>								
<b>Transfers and subsidies</b>	<b>140 498 691</b>	-	-	-	<b>(1 000 000)</b>	-	<b>(1 000 000)</b>	<b>139 498 691</b>
Households	140 498 691	-	-	-	(1 000 000)	-	(1 000 000)	139 498 691
<b>Total</b>	<b>140 498 691</b>	-	-	-	<b>(1 000 000)</b>	-	<b>(1 000 000)</b>	<b>139 498 691</b>

**Programme 3: Social Security Policy and Administration**

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Social Security Policy Development	57 228	-	-	(6 200)	-	-	(6 200)	51 028
Appeals Adjudication	43 934	-	-	(12 300)	-	-	(12 300)	31 634
Social Grants Administration	6 825 866	-	-	-	-	-	-	6 825 866
Social Grants Fraud Investigations	83 066	-	-	-	-	-	-	83 066
Programme Management	5 406	-	-	-	-	-	-	5 406
<b>Total</b>	<b>7 015 500</b>	-	-	<b>(18 500)</b>	-	-	<b>(18 500)</b>	<b>6 997 000</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>100 687</b>	-	-	<b>(18 820)</b>	-	-	<b>(18 820)</b>	<b>81 867</b>
Compensation of employees	50 683	-	-	-	-	-	-	50 683
Goods and services	50 004	-	-	(18 820)	-	-	(18 820)	31 184
<b>Transfers and subsidies</b>	<b>6 912 606</b>	-	-	<b>320</b>	-	-	<b>320</b>	<b>6 912 926</b>
Departmental agencies and accounts	6 908 932	-	-	-	-	-	-	6 908 932
Higher education institutions	2 000	-	-	-	-	-	-	2 000
Foreign governments and international organisations	1 454	-	-	320	-	-	320	1 774
Households	220	-	-	-	-	-	-	220
<b>Payments for capital assets</b>	<b>2 207</b>	-	-	-	-	-	-	<b>2 207</b>
Machinery and equipment	2 207	-	-	-	-	-	-	2 207
<b>Total</b>	<b>7 015 500</b>	-	-	<b>(18 500)</b>	-	-	<b>(18 500)</b>	<b>6 997 000</b>

**Programme 4: Welfare Services Policy Development and Implementation Support**

Subprogramme		2016/17						
		Adjustments appropriation					Total	Adjusted
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	adjustments appropriation	appropriation
	29 868	-	-	-	(1 000)	-	(1 000)	28 868
Service Standards	101 325	-	-	-	-	-	-	101 325
Substance Abuse	20 549	-	-	-	-	-	-	20 549
Older Persons	29 273	-	-	-	-	-	-	29 273
People with Disabilities	76 288	-	-	-	-	-	-	76 288
Children	8 996	-	-	-	-	-	-	8 996
Families	62 597	-	-	-	-	-	-	62 597
Social Crime Prevention and Victim Empowerment	14 561	-	-	-	-	-	-	14 561
Youth	85 220	-	-	-	(1 000)	-	(1 000)	84 220
HIV and AIDS	290 780	-	-	-	-	-	-	290 780
Social Worker Scholarships	3 865	-	-	-	-	-	-	3 865
Programme Management	<b>723 322</b>	-	-	-	<b>(2 000)</b>	-	<b>(2 000)</b>	<b>721 322</b>
<b>Total</b>								
<b>Economic classification</b>								
<b>Current payments</b>	<b>258 290</b>	-	-	-	<b>(2 000)</b>	-	<b>(2 000)</b>	<b>256 290</b>
Compensation of employees	137 075	-	-	-	(2 000)	-	(2 000)	135 075
Goods and services	121 215	-	-	-	-	-	-	121 215
<b>Transfers and subsidies</b>	<b>460 385</b>	-	-	-	-	-	-	<b>460 385</b>
Provinces and municipalities	85 500	-	-	-	-	-	-	85 500
Departmental agencies and accounts	290 780	-	-	-	-	-	-	290 780
Foreign governments and international organisations	692	-	-	-	-	-	-	692
Non-profit institutions	82 746	-	-	-	-	-	-	82 746
Households	667	-	-	-	-	-	-	667
<b>Payments for capital assets</b>	<b>4 647</b>	-	-	-	-	-	-	<b>4 647</b>
Machinery and equipment	4 647	-	-	-	-	-	-	4 647
<b>Total</b>	<b>723 322</b>	-	-	-	<b>(2 000)</b>	-	<b>(2 000)</b>	<b>721 322</b>

**Details of adjustments to the Estimates of National Expenditure 2016****Virements and shifts within votes**

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 3</b>		<b>(18 820)</b>	<b>Programme 1</b>		<b>18 500</b>
Goods and services	Cost containment measures effected on consultants	(18 500)	Goods and services	Travel and communication for ministerial outreach programmes	18 500
				Computer services	
			<b>Programme 3</b>		<b>320</b>
	Cost containment measures effected on consultants	(320)	Foreign governments and international organisations	International Social Security Association for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed <sup>1</sup>	320
				International Organisation of Pensions Supervisors for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed <sup>1</sup>	
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.3%			
<b>Total</b>		<b>(18 820)</b>			<b>18 820</b>

## Declared unspent funds – R1.005 billion

R4.5 million in unspent funds has been declared on compensation of employees due to vacancies that cannot be filled, in order to achieve the approved compensation of employees spending ceilings.

### Programme 2: Social Assistance

R1 billion in unspent funds has been declared from social grants as a result of slow spending on the child support grant and the disability grant. This is mainly due to a number of children being taken off the system as a result of investigations following queries from the auditor general, leading to a lower than anticipated number of beneficiaries for the child support grant. The slow spending on the disability grant is mainly due to improved efficiency in the assessment of disabilities.

## Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16					2016/17				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 15 - Sep 15 appropriation	Apr 15 - Sep 15 % of adjusted	Apr 15 - Mar 16 appropriation	Apr 15 - Mar 16 % of adjusted	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted	
Administration	297 015	160 925	54.2	305 053	102.7	338 512	0.2	188 077	55.6	
Social Assistance	129 818 278	63 746 131	49.1	128 333 376	98.9	139 498 691	94.3	68 791 768	49.3	
Social Security Policy and Administration	6 741 165	3 287 282	48.8	6 716 424	99.6	6 997 000	4.7	3 284 371	46.9	
Welfare Services Policy	677 362	296 606	43.8	676 403	99.9	721 322	0.5	228 424	31.7	
Development and Implementation Support										
Social Policy and Integrated Service Delivery	359 820	163 364	45.4	374 417	104.1	377 704	0.3	224 923	59.6	
<b>Total</b>	<b>137 893 640</b>	<b>67 654 308</b>	<b>49.1</b>	<b>136 405 673</b>	<b>98.9</b>	<b>147 933 229</b>	<b>100.0</b>	<b>72 717 563</b>	<b>49.2</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>776 348</b>	<b>380 221</b>	<b>49.0</b>	<b>774 553</b>	<b>99.8</b>	<b>797 487</b>	<b>0.5</b>	<b>415 287</b>	<b>52.1</b>	
Compensation of employees	423 586	208 206	49.2	419 894	99.1	454 357	0.3	218 999	48.2	
Goods and services	352 762	172 015	48.8	354 659	100.5	343 130	0.2	196 288	57.2	
<b>Transfers and subsidies</b>	<b>137 107 656</b>	<b>67 265 743</b>	<b>49.1</b>	<b>135 621 147</b>	<b>98.9</b>	<b>147 125 401</b>	<b>99.5</b>	<b>72 298 687</b>	<b>49.1</b>	
Provinces and municipalities	47 500	–	–	47 500	100.0	85 500	0.1	–	–	
Departmental agencies and accounts	7 104 706	3 511 243	49.4	7 104 698	100.0	7 395 243	5.0	3 467 897	46.9	
Higher education institutions	1 430	250	17.5	1 467	102.6	2 469	–	–	–	
Foreign governments and international organisations	4 230	1 230	29.1	4 053	95.8	4 290	–	2 011	46.9	
Non-profit institutions	101 979	3 746	3.7	105 904	103.8	113 027	0.1	24 087	21.3	
Households	129 847 811	63 749 274	49.1	128 357 525	98.9	139 524 872	94.3	68 804 692	49.3	
<b>Payments for capital assets</b>	<b>9 636</b>	<b>8 344</b>	<b>86.6</b>	<b>9 973</b>	<b>103.5</b>	<b>10 341</b>	<b>–</b>	<b>3 589</b>	<b>34.7</b>	
Buildings and other fixed structures	–	295	–	295	–	–	–	112	–	
Machinery and equipment	9 160	7 298	79.7	8 910	97.3	9 840	–	3 477	35.3	
Software and other intangible assets	476	751	157.8	768	161.3	501	–	–	–	
<b>Total</b>	<b>137 893 640</b>	<b>67 654 308</b>	<b>49.1</b>	<b>136 405 673</b>	<b>98.9</b>	<b>147 933 229</b>	<b>100.0</b>	<b>72 717 563</b>	<b>49.2</b>	

## Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 98.9 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R72.7 billion, or 49.2 per cent of the adjusted appropriation of R147.9 billion for the year. In comparison, mid-year expenditure in 2015/16 was R67.7 billion, or 49.1 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R5.1 billion, or 7.5 per cent. This was mainly due to increases in the value of social grants to keep them in line with inflation, and the increased coverage of social grant beneficiaries.

## Departmental receipts

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome				Actual receipts				
		Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
<b>Departmental receipts</b>	<b>57 819</b>	<b>254</b>	<b>0.4</b>	<b>23 926</b>	<b>41.4</b>	<b>88 395</b>	<b>49 416</b>	<b>100.0</b>	<b>199</b>	<b>0.4</b>
Sales of goods and services produced by department	318	123	38.7	3	0.9	318	307	0.6	146	47.6
Interest, dividends and rent on land	13 526	7	0.1	12 312	91.0	16 212	18 011	36.4	2	-
Sales of capital assets	-	-	-	-	-	-	300	0.6	-	-
Transactions in financial assets and liabilities	43 975	124	0.3	11 611	26.4	71 865	30 798	62.3	51	0.2
<b>Total</b>	<b>57 819</b>	<b>254</b>	<b>0.4</b>	<b>23 926</b>	<b>41.4</b>	<b>88 395</b>	<b>49 416</b>	<b>100.0</b>	<b>199</b>	<b>0.4</b>

### Revenue trends for the first six months of 2016/17

Revenue in the first six months of 2016/17 was R199 000, or 0.4 per cent of the adjusted revenue estimate of R49.4 million for the year. In comparison, mid-year revenue in 2015/16 was R254 000, or 0.4 per cent of the 2015/16 adjusted estimate. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 decreased by R55 000, or 21.7 per cent. This was mainly due to the decrease in recoverable revenue of financial assets. The department's main source of revenue is from interest receivable on grant funds as well as debt incurred in respect of fraudulent grants or grant overpayments. Such revenue is paid over from the South African Social Security Agency in the fourth quarter of the financial year.

## Changes to transfers and subsidies

### Summary of changes to transfers and subsidies per programme

R thousand	2016/2017							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Social Assistance</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	<b>72 369 001</b>	-	-	-	<b>(1 000 000)</b>	-	<b>(1 000 000)</b>	<b>71 369 001</b>
Disability	20 418 422	-	-	-	(400 000)	-	(400 000)	20 018 422
Child Support	51 950 579	-	-	-	(600 000)	-	(600 000)	51 350 579
<b>Social Security Policy and Administration</b>								
<b>Foreign governments and international organisations</b>								
<b>Current</b>	<b>1 454</b>	-	-	<b>320</b>	-	-	<b>320</b>	<b>1 774</b>
International Social Security Association	1 378	-	-	300	-	-	300	1 678
International Organisation of Pension Supervisors	76	-	-	20	-	-	20	96