

# Vote 4

## Cooperative Governance and Traditional Affairs

### Adjusted budget summary

R thousand	2017/18			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>78 414 485</b>	<b>78 463 890</b>	<b>(70 602)</b>	<b>120 007</b>
<i>of which:</i>				
Current payments	4 346 156	4 275 554	(70 602)	–
Transfers and subsidies	74 060 839	74 180 734	–	119 895
Payments for capital assets	7 490	7 502	–	12
Payments for financial assets	–	100	–	100
Executive authority	Minister of Cooperative Governance and Traditional Affairs			
Accounting officer	Director-General of Cooperative Governance Director-General of Traditional Affairs			
Website address	www.cogta.gov.za			

### Vote purpose

*Improve cooperative governance across the three spheres of government, in partnership with institutions of traditional leadership, to ensure that provinces and municipalities carry out their service delivery and development functions effectively.*

### Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Number of secondary cities supported per year to improve spatial and economic planning by implementing the Integrated Urban Development Framework	Regional and Urban Development and Legislative Support	Outcome 9: Responsive, accountable, effective and efficient developmental local government	10	5	–
Number of municipalities assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) per year	Institutional Development		110	0	–
Percentage of spending by municipalities on the municipal infrastructure grant per year	Institutional Development		100%	36% (R5.69bn/R15.9bn)	–
Number of municipalities where Back to Basics interventions are being implemented per year	Local Government Support and Intervention Management		47	36	–
Total number of work opportunities provided through the community work programme	Community Work Programme		258 400	232 293	–

### Mid-year progress

No municipalities were assessed and guided to comply with the rating criteria of the Municipal Property Rates Act (2004) in the first six months of 2017/18. These assessments are planned for the second half of the year.

Municipal infrastructure grant spending was slow in the first half of the financial year due to the difference between the start of the financial year for municipalities and national departments. Municipalities are currently in their first quarter, and plan to meet their targets by the end of their financial year.

The department is on track to meet its annual target on Back to Basics, as 36 of a targeted 47 municipalities have been visited and monitored, and interventions have been implemented where necessary. These interventions were planned to take place in the first six months of the year.

At the end of the second quarter of 2017/18, there were 232 293 participants enrolled in the community work programme, placing the department on track to meet its target of 258 400 participants enrolled by the end of the financial year.

## Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	247 296	–	–	(3 000)	–	–	(3 000)	244 296
Regional and Urban Development and Legislative Support	210 261	27 858	–	10 434	–	–	38 292	248 553
Institutional Development	57 372 755	–	–	366	–	–	366	57 373 121
National Disaster Management Centre	521 904	–	26 147	–	–	–	26 147	548 051
Local Government Support and Intervention Management	16 366 403	45 400	–	(2 000)	–	–	43 400	16 409 803
Community Work Programme	3 695 866	–	–	(5 800)	(50 000)	–	(55 800)	3 640 066
<b>Total</b>	<b>78 414 485</b>	<b>73 258</b>	<b>26 147</b>	<b>–</b>	<b>(50 000)</b>	<b>–</b>	<b>49 405</b>	<b>78 463 890</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>4 346 156</b>	<b>–</b>	<b>–</b>	<b>(20 602)</b>	<b>(50 000)</b>	<b>–</b>	<b>(70 602)</b>	<b>4 275 554</b>
Compensation of employees	338 922	–	–	(31 300)	–	–	(31 300)	307 622
Goods and services	4 007 234	–	–	10 698	(50 000)	–	(39 302)	3 967 932
<b>Transfers and subsidies</b>	<b>74 060 839</b>	<b>73 258</b>	<b>26 147</b>	<b>20 490</b>	<b>–</b>	<b>–</b>	<b>119 895</b>	<b>74 180 734</b>
Provinces and municipalities	73 439 065	27 858	26 147	–	–	–	54 005	73 493 070
Departmental agencies and accounts	608 420	–	–	14 500	–	–	14 500	622 920
Foreign governments and international organisations	1 281	–	–	–	–	–	–	1 281
Non-profit institutions	12 073	–	–	5 899	–	–	5 899	17 972
Households	–	45 400	–	91	–	–	45 491	45 491
<b>Payments for capital assets</b>	<b>7 490</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>7 502</b>
Machinery and equipment	7 490	–	–	12	–	–	12	7 502
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>100</b>
<b>Total</b>	<b>78 414 485</b>	<b>73 258</b>	<b>26 147</b>	<b>–</b>	<b>(50 000)</b>	<b>–</b>	<b>49 405</b>	<b>78 463 890</b>

### Programme 1: Administration

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Ministry	28 010	–	–	(1 300)	–	–	(1 300)	26 710
Management	17 470	–	–	800	–	–	800	18 270
Corporate Services	108 884	–	–	(4 000)	–	–	(4 000)	104 884
Financial Services	38 374	–	–	(2 000)	–	–	(2 000)	36 374
Internal Audit and Risk Management	12 977	–	–	3 500	–	–	3 500	16 477
Office Accommodation	41 581	–	–	–	–	–	–	41 581
<b>Total</b>	<b>247 296</b>	<b>–</b>	<b>–</b>	<b>(3 000)</b>	<b>–</b>	<b>–</b>	<b>(3 000)</b>	<b>244 296</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>242 119</b>	<b>–</b>	<b>–</b>	<b>(3 147)</b>	<b>–</b>	<b>–</b>	<b>(3 147)</b>	<b>238 972</b>
Compensation of employees	133 663	–	–	(8 500)	–	–	(8 500)	125 163
Goods and services	108 456	–	–	5 353	–	–	5 353	113 809
<b>Transfers and subsidies</b>	<b>103</b>	<b>–</b>	<b>–</b>	<b>47</b>	<b>–</b>	<b>–</b>	<b>47</b>	<b>150</b>
Provinces and municipalities	103	–	–	–	–	–	–	103
Households	–	–	–	47	–	–	47	47
<b>Payments for capital assets</b>	<b>5 074</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 074</b>
Machinery and equipment	5 074	–	–	–	–	–	–	5 074
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>100</b>
<b>Total</b>	<b>247 296</b>	<b>–</b>	<b>–</b>	<b>(3 000)</b>	<b>–</b>	<b>–</b>	<b>(3 000)</b>	<b>244 296</b>

**Programme 2: Regional and Urban Development and Legislative Support**

Subprogramme	2017/18							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Management Regional and Urban Development and Legislative Support	3 247	-	-	(1 700)	-	-	(1 700)	1 547
Local Government Legislative Support and Institutional Establishment	3 420	-	-	-	-	-	-	3 420
Urban Development Planning	10 581	-	-	7 954	-	-	7 954	18 535
Spatial Planning Districts and Regions	14 554	-	-	(2 112)	-	-	(2 112)	12 442
Intergovernmental Policy and Practice	9 022	-	-	(708)	-	-	(708)	8 314
Municipal Demarcation Transition Grant	111 856	27 858	-	-	-	-	27 858	139 714
Municipal Demarcation Board	50 631	-	-	7 000	-	-	7 000	57 631
South African Cities Network	6 950	-	-	-	-	-	-	6 950
<b>Total</b>	<b>210 261</b>	<b>27 858</b>	<b>-</b>	<b>10 434</b>	<b>-</b>	<b>-</b>	<b>38 292</b>	<b>248 553</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>40 824</b>	<b>-</b>	<b>-</b>	<b>3 434</b>	<b>-</b>	<b>-</b>	<b>3 434</b>	<b>44 258</b>
Compensation of employees	25 912	-	-	(5 500)	-	-	(5 500)	20 412
Goods and services	14 912	-	-	8 934	-	-	8 934	23 846
<b>Transfers and subsidies</b>	<b>169 437</b>	<b>27 858</b>	<b>-</b>	<b>7 000</b>	<b>-</b>	<b>-</b>	<b>34 858</b>	<b>204 295</b>
Provinces and municipalities	111 856	27 858	-	-	-	-	27 858	139 714
Departmental agencies and accounts	50 631	-	-	7 000	-	-	7 000	57 631
Non-profit institutions	6 950	-	-	-	-	-	-	6 950
<b>Total</b>	<b>210 261</b>	<b>27 858</b>	<b>-</b>	<b>10 434</b>	<b>-</b>	<b>-</b>	<b>38 292</b>	<b>248 553</b>

**Programme 3: Institutional Development**

Subprogramme	2017/18							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Management: Institutional Development	3 323	-	-	(700)	-	-	(700)	2 623
Municipal Human Resources Management Systems	7 772	-	-	1 000	-	-	1 000	8 772
Municipal Finance	31 503	-	-	(2 700)	-	-	(2 700)	28 803
Citizen Engagement	6 701	-	-	1 200	-	-	1 200	7 901
Anti-Corruption and Good Governance	7 348	-	-	(2 000)	-	-	(2 000)	5 348
Municipal Property Rates	18 008	-	-	(9 734)	-	-	(9 734)	8 274
Local Government Equitable Share	57 012 141	-	-	-	-	-	-	57 012 141
South African Local Government Association	31 300	-	-	-	-	-	-	31 300
Municipal Systems Improvement Grant	103 249	-	-	-	-	-	-	103 249
Department of Traditional Affairs	145 006	-	-	7 500	-	-	7 500	152 506
United Cities and Local Government of Africa	6 404	-	-	5 800	-	-	5 800	12 204
<b>Total</b>	<b>57 372 755</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>57 373 121</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>177 904</b>	<b>-</b>	<b>-</b>	<b>(12 934)</b>	<b>-</b>	<b>-</b>	<b>(12 934)</b>	<b>164 970</b>
Compensation of employees	38 057	-	-	(7 500)	-	-	(7 500)	30 557
Goods and services	139 847	-	-	(5 434)	-	-	(5 434)	134 413
<b>Transfers and subsidies</b>	<b>57 194 851</b>	<b>-</b>	<b>-</b>	<b>13 300</b>	<b>-</b>	<b>-</b>	<b>13 300</b>	<b>57 208 151</b>
Provinces and municipalities	57 012 141	-	-	-	-	-	-	57 012 141
Departmental agencies and accounts	176 306	-	-	7 500	-	-	7 500	183 806
Foreign governments and international organisations	1 281	-	-	-	-	-	-	1 281
Non-profit institutions	5 123	-	-	5 800	-	-	5 800	10 923
<b>Total</b>	<b>57 372 755</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>366</b>	<b>57 373 121</b>

**Programme 4: National Disaster Management Centre**

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management: Head of Disaster	3 615	-	-	112	-	-	112	3 727
Disaster Risk Reduction, Capacity Building and Intervention	53 391	-	-	-	-	-	-	53 391
Legislation and Policy Management	6 056	-	-	(100)	-	-	(100)	5 956
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	4 273	-	-	-	-	-	-	4 273
Fire Services	3 279	-	-	100	-	-	100	3 379
Information Technology, Intelligence and Information Management Systems	27 577	-	-	(112)	-	-	(112)	27 465
Disaster Relief Grant	423 713	-	-	-	-	-	-	423 713
Municipal Disaster Recovery Grant	-	-	26 147	-	-	-	26 147	26 147
<b>Total</b>	<b>521 904</b>	<b>-</b>	<b>26 147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 147</b>	<b>548 051</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>95 775</b>	<b>-</b>	<b>-</b>	<b>(143)</b>	<b>-</b>	<b>-</b>	<b>(143)</b>	<b>95 632</b>
Compensation of employees	29 584	-	-	-	-	-	-	29 584
Goods and services	66 191	-	-	(143)	-	-	(143)	66 048
<b>Transfers and subsidies</b>	<b>423 713</b>	<b>-</b>	<b>26 147</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>26 290</b>	<b>450 003</b>
Provinces and municipalities	423 713	-	26 147	-	-	-	26 147	449 860
Non-profit institutions	-	-	-	99	-	-	99	99
Households	-	-	-	44	-	-	44	44
<b>Payments for capital assets</b>	<b>2 416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 416</b>
Machinery and equipment	2 416	-	-	-	-	-	-	2 416
<b>Total</b>	<b>521 904</b>	<b>-</b>	<b>26 147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 147</b>	<b>548 051</b>

**Programme 5: Local Government Support and Intervention Management**

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management: Local Government Support and Interventions	3 302	-	-	-	-	-	-	3 302
Municipal Performance Monitoring	13 442	45 400	-	-	-	-	45 400	58 842
Local Government Improvement Programme	30 475	-	-	(4 000)	-	-	(4 000)	26 475
Litigations and Interventions	12 352	-	-	-	-	-	-	12 352
Municipal Infrastructure Administration	34 097	-	-	2 000	-	-	2 000	36 097
Municipal Infrastructure Grant	15 891 252	-	-	-	-	-	-	15 891 252
Municipal Infrastructure Support Agency	381 483	-	-	-	-	-	-	381 483
<b>Total</b>	<b>16 366 403</b>	<b>45 400</b>	<b>-</b>	<b>(2 000)</b>	<b>-</b>	<b>-</b>	<b>43 400</b>	<b>16 409 803</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>93 668</b>	<b>-</b>	<b>-</b>	<b>(2 000)</b>	<b>-</b>	<b>-</b>	<b>(2 000)</b>	<b>91 668</b>
Compensation of employees	68 446	-	-	(4 000)	-	-	(4 000)	64 446
Goods and services	25 222	-	-	2 000	-	-	2 000	27 222
<b>Transfers and subsidies</b>	<b>16 272 735</b>	<b>45 400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45 400</b>	<b>16 318 135</b>
Provinces and municipalities	15 891 252	-	-	-	-	-	-	15 891 252
Departmental agencies and accounts	381 483	-	-	-	-	-	-	381 483
Households	-	45 400	-	-	-	-	45 400	45 400
<b>Total</b>	<b>16 366 403</b>	<b>45 400</b>	<b>-</b>	<b>(2 000)</b>	<b>-</b>	<b>-</b>	<b>43 400</b>	<b>16 409 803</b>

**Programme 6: Community Work Programme**

Subprogramme	2017/18							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
R thousand								
Management: Community Work Programme	3 643 036	-	-	(5 800)	(50 000)	-	(55 800)	3 587 236
Programme Coordination	40 367	-	-	-	-	-	-	40 367
Partnerships, Norms, Standards and Innovation	12 463	-	-	-	-	-	-	12 463
<b>Total</b>	<b>3 695 866</b>	<b>-</b>	<b>-</b>	<b>(5 800)</b>	<b>(50 000)</b>	<b>-</b>	<b>(55 800)</b>	<b>3 640 066</b>

**Programme 6: Community Work Programme (continued)**

Economic classification		2017/18						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Current payments</b>	<b>3 695 866</b>	–	–	(5 812)	(50 000)	–	(55 812)	<b>3 640 054</b>
Compensation of employees	43 260	–	–	(5 800)	–	–	(5 800)	37 460
Goods and services	3 652 606	–	–	(12)	(50 000)	–	(50 012)	3 602 594
<b>Payments for capital assets</b>	–	–	–	12	–	–	12	<b>12</b>
Machinery and equipment	–	–	–	12	–	–	12	12
<b>Total</b>	<b>3 695 866</b>	–	–	(5 800)	(50 000)	–	(55 800)	<b>3 640 066</b>

**Details of adjustments to Estimates of National Expenditure 2017****Roll-overs – R73.258 million**

Programme 2: Regional and Urban Development and Legislative Support

R27.858 million has been rolled over to the municipal demarcation transition grant to stabilise institutional and government systems in amalgamated municipalities in KwaZulu-Natal.

Programme 5: Local Government Support and Intervention Management

R45.4 million has been rolled over to pay councillors whose term ended after the local government elections in August 2016.

**Unforeseeable and unavoidable expenditure – R26.147 million**

Programme 4: National Disaster Management Centre

An additional R26.147 million has been allocated to the vote to rehabilitate municipal infrastructure damaged by sinkholes in the Merafong City municipality.

**Virements and shifts within votes****Programmes**

- Administration
- Regional and Urban Development and Legislative Support
- Institutional Development
- National Disaster Management Centre
- Local Government Support and Intervention Management
- Community Work Programme

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 1</b>		<b>(8 647)</b>	<b>Programme 1</b>		<b>4 500</b>
Compensation of employees	Vacant posts <sup>2</sup>	(4 500)	Goods and services	Operational payments	4 500
	Vacant posts <sup>2</sup>	(4 000)	<b>Programme 2</b>		<b>4 000</b>
			Departmental agencies and accounts	Municipal Demarcation Board <sup>1</sup>	4 000
			<b>Programme 1</b>		<b>147</b>
Goods and services	Cost containment measures effected on auditing services	(100)	Payments for financial assets	Theft and losses	100
	Cost containment measures effected on agency and outsourced/support services, and entertainment	(47)	Households	Leave gratuities	47
Shifts within the programme as a percentage of the programme budget		2.8%			
Virements to other programmes as a percentage of the programme budget		1.6%			

2017 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 2</b>			<b>Programme 2</b>		
Compensation of employees	Vacant posts <sup>2</sup>	(5 500)	Departmental agencies and accounts	Municipal Demarcation Board <sup>1</sup>	5 500
	Vacant posts <sup>2</sup>	(3 000)			3 000
		(2 500)	Goods and services	Consultants for the Urban Development Planning subprogramme	2 500
Shifts within the programme as a percentage of the programme budget		4.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
<b>Programme 3</b>			<b>Programme 3</b>		
Compensation of employees	Vacant posts <sup>2</sup>	(12 934)	Departmental agencies and accounts	Department of Traditional Affairs <sup>1</sup>	7 500
		(7 500)			7 500
Goods and services	Cost containment measures effected on catering, consultants and consumables	(1 000)	<b>Programme 1</b>		<b>1 000</b>
			Goods and services	Third presidential local government summit	1 000
	Cost containment measures effected on contractors, and travel and subsistence	(4 434)	<b>Programme 2</b>		<b>4 434</b>
			Goods and services	Consultants for the integrated urban development framework	4 434
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
<b>Programme 4</b>			<b>Programme 4</b>		
Goods and services	Cost containment measures effected on contractors, and travel and subsistence	(143)	Households	Leave gratuities	143
		(44)			44
	Various non-core goods and services items	(99)	Non-profit institutions	Disaster Management Institute of Southern Africa project <sup>1</sup>	99
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
<b>Programme 5</b>			<b>Programme 5</b>		
Compensation of employees	Vacant posts <sup>2</sup>	(6 000)	Goods and services	Municipal infrastructure grant oversight	4 000
		(4 000)			4 000
Goods and services	Cost containment measures effected on communications	(2 000)	<b>Programme 2</b>		<b>2 000</b>
			Goods and services	Consultants to capacitate the implementation of the integrated urban development framework	2 000
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.0%			
<b>Programme 6</b>			<b>Programme 3</b>		
Compensation of employees	Vacant posts <sup>2</sup>	(5 812)	Non-profit institutions	United Cities and Local Governments of Africa <sup>1</sup>	5 800
		(5 800)			5 800
Goods and services	Cost containment measures effected on communications	(12)	<b>Programme 6</b>		<b>12</b>
			Machinery and equipment	Office equipment	12
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.2%			
<b>Total</b>		<b>(39 036)</b>	<b>39 036</b>		

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement.

## Declared unspent funds – R50 million

### Programme 6: Community Work Programme

R50 million in unspent funds has been declared on contractors for the community work programme due to slow spending trends.

## Gifts, donations and sponsorships – R99 000

### Programme 4: National Disaster Management Centre

The department will make a donation of R99 000 to the Disaster Management Institute of Southern Africa to host a conference on the reduction of disaster risk.

## Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17					2017/18				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	
Administration	263 691	110 047	41.7	267 266	101.4	244 296	0.3	113 652	46.5	
Regional and Urban Development and Legislative Support	423 633	145 715	34.4	393 619	92.9	248 553	0.3	127 218	51.2	
Institutional Development	52 887 964	21 822 913	41.3	51 275 794	97.0	57 373 121	73.1	23 796 996	41.5	
National Disaster Management Centre	588 887	77 053	13.1	295 282	50.1	548 051	0.7	93 583	17.1	
Local Government Support and Intervention Management	15 666 546	4 762 719	30.4	15 248 355	97.3	16 409 803	20.9	5 686 353	34.7	
Community Work Programme	3 191 185	986 174	30.9	2 371 906	74.3	3 640 066	4.6	1 369 258	37.6	
<b>Total</b>	<b>73 021 906</b>	<b>27 904 621</b>	<b>38.2</b>	<b>69 852 222</b>	<b>95.7</b>	<b>78 463 890</b>	<b>100.0</b>	<b>31 187 060</b>	<b>39.7</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>3 826 454</b>	<b>1 180 277</b>	<b>30.8</b>	<b>2 815 713</b>	<b>73.6</b>	<b>4 275 554</b>	<b>5.4</b>	<b>1 587 371</b>	<b>37.1</b>	
Compensation of employees	320 521	135 425	42.3	272 404	85.0	307 622	0.4	143 622	46.7	
Goods and services	3 505 933	1 044 852	29.8	2 543 309	72.5	3 967 932	5.1	1 443 749	36.4	
<b>Transfers and subsidies</b>	<b>69 188 025</b>	<b>26 722 059</b>	<b>38.6</b>	<b>67 027 032</b>	<b>96.9</b>	<b>74 180 734</b>	<b>94.5</b>	<b>29 597 567</b>	<b>39.9</b>	
Provinces and municipalities	68 301 723	26 424 625	38.7	66 178 538	96.9	73 493 070	93.7	29 363 566	40.0	
Departmental agencies and accounts	570 407	297 235	52.1	574 607	100.7	622 920	0.8	216 524	34.8	
Foreign governments and international organisations	–	–	–	–	–	1 281	0.0	–	0.0	
Non-profit institutions	6 619	–	0.0	9 119	137.8	17 972	0.0	8 117	45.2	
Households	309 276	199	0.1	264 768	85.6	45 491	0.1	9 360	20.6	
<b>Payments for capital assets</b>	<b>7 347</b>	<b>2 256</b>	<b>30.7</b>	<b>9 312</b>	<b>126.7</b>	<b>7 502</b>	<b>0.0</b>	<b>2 054</b>	<b>27.4</b>	
Machinery and equipment	7 347	2 256	30.7	9 312	126.7	7 502	0.0	2 054	27.4	
<b>Payments for financial assets</b>	<b>80</b>	<b>29</b>	<b>36.3</b>	<b>165</b>	<b>206.3</b>	<b>100</b>	<b>0.0</b>	<b>68</b>	<b>68.0</b>	
<b>Total</b>	<b>73 021 906</b>	<b>27 904 621</b>	<b>38.2</b>	<b>69 852 222</b>	<b>95.7</b>	<b>78 463 890</b>	<b>100.0</b>	<b>31 187 060</b>	<b>39.7</b>	

## Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R69.9 billion, or 95.7 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R31.2 billion, or 39.7 per cent of the adjusted appropriation of R78.5 billion for the year. In comparison, mid-year expenditure in 2016/17 was R27.9 billion, or 38.2 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 increased by R3.3 billion, or 11.8 per cent. This is mainly due to increased spending in the community work programme and the local government equitable share.

## Departmental receipts

Programme	2016/17					2017/18				
	Audited outcome					Actual receipts				
R thousand	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
<b>Departmental receipts</b>	<b>1 165</b>	<b>940</b>	<b>80.7</b>	<b>23 451</b>	<b>2 013.0</b>	<b>1 261</b>	<b>1 875</b>	<b>100.0</b>	<b>1 102</b>	<b>58.8</b>
Sales of goods and services produced by department	305	81	26.6	166	54.4	355	375	20.0	87	23.2
Sales of scrap, waste, arms and other used current goods	5	–	–	1	20.0	6	–	–	–	–
Interest, dividends and rent on land	15	564	3 760.0	1 218	8 120.0	10	1 100	58.7	728	66.2
Sales of capital assets	40	40	100.0	40	100.0	40	50	2.7	–	–
Transactions in financial assets and liabilities	800	255	31.9	22 026	2 753.3	850	350	18.7	287	82.0
<b>Total</b>	<b>1 165</b>	<b>940</b>	<b>80.7</b>	<b>23 451</b>	<b>2 013.0</b>	<b>1 261</b>	<b>1 875</b>	<b>100.0</b>	<b>1 102</b>	<b>58.8</b>

## Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R1.1 million, or 58.8 per cent of the adjusted revenue estimate of R1.9 million for the year. In comparison, mid-year revenue in 2016/17 was R940 000, or 80.7 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 increased by R162 000, or 17.2 per cent. This is mainly due to higher than anticipated interest earned on financial assets.

## Changes to transfers and subsidies, including conditional grants

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

R thousand	2017/18							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Administration</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	-	-	-	10	-	-	10	10
Employee social benefits	-	-	-	10	-	-	10	10
<b>Households</b>								
<b>Other transfers to households</b>								
<b>Current</b>	-	-	-	37	-	-	37	37
Employee social benefits	-	-	-	37	-	-	37	37
<b>Regional and Urban Development and Legislative Support</b>								
<b>Provinces and municipalities</b>								
<b>Municipalities</b>								
<b>Municipal bank accounts</b>								
<b>Current</b>	111 856	27 858	-	-	-	-	27 858	139 714
Municipal demarcation transition grant	111 856	27 858	-	-	-	-	27 858	139 714
<b>Departmental agencies and accounts</b>								
<b>Departmental agencies (non-business entities)</b>								
<b>Current</b>	50 631	-	-	7 000	-	-	7 000	57 631
Municipal Demarcation Board	50 631	-	-	7 000	-	-	7 000	57 631
<b>Institutional Development</b>								
<b>Departmental agencies and accounts</b>								
<b>Departmental agencies (non-business entities)</b>								
<b>Current</b>	145 006	-	-	7 500	-	-	7 500	152 506
Department of Traditional Affairs	145 006	-	-	7 500	-	-	7 500	152 506
<b>Non-profit institutions</b>								
<b>Current</b>	5 123	-	-	5 800	-	-	5 800	10 923
United Cities and Local Governments of Africa - South African Regional Office	5 123	-	-	5 800	-	-	5 800	10 923
<b>National Disaster Management Centre</b>								
<b>Provinces and municipalities</b>								
<b>Municipalities</b>								
<b>Municipal bank accounts</b>								
<b>Capital</b>	-	-	26 147	-	-	-	26 147	26 147
Municipal disaster recovery grant	-	-	26 147	-	-	-	26 147	26 147
<b>Non-profit institutions</b>								
<b>Current</b>	-	-	-	99	-	-	99	99
Disaster Management Institute of Southern Africa	-	-	-	99	-	-	99	99
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	-	-	-	44	-	-	44	44
Employee social benefits	-	-	-	44	-	-	44	44
<b>Local Government Support and Intervention Management</b>								
<b>Households</b>								
<b>Social benefits</b>								
<b>Current</b>	-	45 400	-	-	-	-	45 400	45 400
Non-returning local government councillors	-	45 400	-	-	-	-	45 400	45 400



**Summary of changes to conditional grants: Local government**

		2017/18						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
	<b>111 856</b>	<b>27 858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 858</b>	<b>139 714</b>
<b>Regional and Urban Development and Legislative Support</b>								
Municipal demarcation transition grant	111 856	27 858	-	-	-	-	27 858	139 714
<b>National Disaster Management Centre</b>	<b>300 281</b>	<b>-</b>	<b>26 147</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 147</b>	<b>326 428</b>
Municipal disaster recovery grant	-	-	26 147	-	-	-	26 147	26 147

